Daily Report

Latin America

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FBIS-LAT-93-171 *7 September 1993*

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Central American Foreign Ministers Support Nicaragua

PA0309181993 Panama City ACAN in Spanish 1624 GMT 3 Sep 93

[Excerpt] Panama, 3 Sep (ACAN-EFE)—Panamanian Foreign Minister Julio Linares today held intensive telephone contacts with his Central American counterparts to help Nicaraguan President Violeta Barrios de Chamorro preserve the democratic institutions in the crisis that flared up with that country's army.

A Foreign Ministry spokesman told ACAN-EFE that Linares, who is the current secretary of the group, contacted the Nicaraguan, Honduran, Costa Rican, Salvadoran, and Guatemalan foreign ministers to assess the tense situation created when President Chamorro announced that next year she will remove General Humberto Ortega as Army commander in chief. The region's ministers will travel to Managua on Monday to try to mediate in the crisis and restore "internal harmony" in that country. [passage omitted]

Mexico, Colombia, Venezuela Support Chamorro

PA0309183593 Managua Radio Nicaragua Network in Spanish 1714 GMT 3 Sep 93

[Text] In view of the developments of 2 September during the Army Day celebrations, the Governments of Colombia, Mexico and Venezuela, members of the Group of Three [G-3], have reiterated their unequivocal support for the constitutional government of President Violeta Barrios de Chamorro. They have also expressed their strongest conviction that any action to disrupt constitutional order in Nicaragua by the Army or any other sector will be highly detrimental to the process of consolidating peace in that country and will imperil socioeconomic development programs that require the support of the international community now more than ever.

The G-3 presidents urged the sectors most representative of Nicaragua, that signed an agreement on 21 August that establishes the grounds to consolidate national reconciliation in that country, to continue their efforts in that direction and overcome any obstacle that may imperil peace and stability in that brother Central American nation.

OAS Resolution Supports Chamorro Government

PA0409000693 Managua Radio Nicaragua Network in Spanish 2113 GMT 3 Sep 93

[Announcer-read "text" of OAS Resolution issued in Washington, D.C. on 3 September]

[Text] The Permanent Council of the OAS, after hearing the report by the permanent representative in Nicaragua on the events that took place in Nicaragua following the speech delivered yesterday by Her Excellency President Violeta Barrios de Chamorro on the occasion of the 14th anniversary of the Sandinist People's Army;

Recalling the principles and objectives contained in the OAS Charter, the Santiago Pledge to democracy, and the renewal of the Inter-American system, and the Managua Declaration;

Underscoring Paragraph 19 of the Managua Declaration, which states its conviction that an important goal for the strengthening of representative democracy in the hemisphere is that the Armed Forces be subordinate to legitimate civilian authority, and act within constitutional order and with respect to human rights.

Taking note with satisfaction of the declarations of the Central American presidents on the situation in Nicaragua and the actions being promoted in support of the democratic process in that country, and taking into account how the Permanent Council reported the situation in Nicaragua on 25 August 1993, declares:

—Its deep concern over the continued tensions in Nicaragua.

—Its conviction that dialogue between the various participants in Nicaraguan everyday affairs is the best way to resolve the problems in the sister country and to attain full national reconciliation and constitutional order.

—Its decided and unrestricted support to the constitutional government of Dona Violeta Barrios de Chamorro and Nicaragua's democratic process.

—Its total support for the work and goodwill carried out, at the request of the Nicaraguan president, by the presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Panama, helping contribute to attain national accord as a result of the resolve of all Nicaraguans.

Requests that the OAS secretary general, on the occasion of the planned mission to Nicaragua, inform all participants in Nicaragua's everyday affairs of the contents of this declaration and carry out the work that is needed in favor of the consolidation of democracy and the encouragement of a national dialogue in Nicaragua.

Cuba

Ministry: Washington Encourages Illegal Departures

PA0409151893 Havana Radio Havana Cuba in Spanish 1300 GMT 4 Sep 93

[From the "Information Service" newscast]

[Text] Cuban Foreign Ministry sources described the granting of a special permit to eight Cubans as a continuation of Washington's policy of encouraging illegal departures from the island. The eight Cubans, who had been shipwrecked near the Mexican coast, were later

returned to Cuba and Mexico finally granted them a transient visa. The eight individuals traveled to the United States on 2 September.

Following the shipwreck, in which seven crew members died, powerful rightist sectors among Cuban immigrants in the United States unleashed a strong campaign against Mexico and threatened to boycott the ratification of the free trade agreement between the two countries in Congress.

Jose (Peraza), legal director of the Cuban Foreign Ministry, reiterated that the United States continues to encourage illegal departures from Cuba while it hinders the agreed upon immigration process, which allows 20,000 Cubans to travel to the United States every year.

The official said that the main difficulty for those who want to travel abroad is obtaining a visa. He emphasized that since 1987 the United States has only delivered 10,000 visas.

Arrival of Eight Boaters Noted

FL0409183493 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Sep 93

[Text] A report off today's PRENSA LATINA underscores that the use of emigration as a political weapon against the Cuban Revolution has once again been exposed following the recent shipwreck of a boat with illegal Cuban emigrants, seven of whom died at sea, off the Mexican coast.

Subsequently, Mexican authorities deported the eight survivors to Cuba where they were received, processed, and returned to their homes. Nevertheless, the incident took on a political aspect when the most right-wing sectors of Cuban immigrants in the United States began a strong campaign against Mexico for not giving political asylum to those shipwrecked.

Afterwards, Mexican authorities granted transit visas to the deportees, to which Cuba did not object, but U.S. authorities apparently could not find sufficient reasons to grant political asylum and gave the immigrants special permission for humanitarian reasons. The eight immigrants flew yesterday to the United States on board an airplane chartered by the Televisa Television Syndicate, which also gave prioritized coverage of the Cubans' stay in Mexico, which demonstrates the urge to make the incident into a new episode of the war against the Cuban socialist system.

In the opinion of Cuban specialists, the case is a continuation of a policy designed by Washington to stimulate illegal departures while standing in the way of the immigration process, which allows 20,000 Cubans to travel to the United States annually. Our country has denounced how those immigrants are even received considering the U.S. Interest Section had previously denied visas.

This policy, together with the country's difficult conditions, because of the economic blockade and the difficulties caused by the collapse of the European Socialist Bloc are considered the causes of the exodus, which, on the other hand, was not originated by the 1959 Revolution.

'Solidarity Movement' Rejected

FL0609205693 Havana Radio Rebelde Network in Spanish 1700 GMT 6 Sep 93

[Commentary by Nancy Aime Gomez]

[Text] The Cuban Revolution, after 34 years of arduous struggle, continues its unstoppable march. Neither the U.S. economic embargo nor the collapse of the socialist bloc has been able to destroy the will of our people. The example of dignity and heroism set by the Cubans has earned the world's admiration and an unprecedented solidarity. From the farthest corners of the planet, friendly hands are extended in a hearty handshake to say to us: Brothers, falter not. We are with you.

In light of the growing wave of solidarity with Cuba, even inside the United States and among a considerable portion of Cuban exiles and their offspring, the most reactionary wing of the Cuban exile community has now set itself to create a, quote, Movement of Solidarity With Cuba, unquote, designed to seek cooperation in promoting the fall of the Cuban Revolution. In their breakneck race to become ever more pro-Yankee, they have published a manifesto in Spain stating, with the subtlety that characterizes this kind of people, that the fall of the revolutionary government would create an atmosphere favorable to the lifting of the U.S. blockade of Cuba and that, in order to guarantee the standard of living in Cuba, a more direct intervention in Cuban domestic affairs must be encouraged.

Moreover, a few moments ago, a cable from the Spanish news agency reported statements by U.S. President Bill Clinton to the effect that the economic embargo against Cuba is fitting and will be maintained until a return to democracy is achieved.

It looks as if the American President and the most reactionary of the Cuban exile factions have an identical idea of democracy, an idea certainly very different from that of the Cuban people, from what we here in our land want. Almost 35 years ago, we opted for this democracy called The Revolution; and nothing and no one will turn us from that path, a path which, for the nation today, has meant having thousands of scientists and distinguished professionals in all branches of knowledge and science instead of 1 million illiterates, among the many other advantages it has meant for a majority of people in our society.

We opted 35 years ago for our own style of socialism, socialism "a la Cubaine," and we will not give up a single one of those achievements. Our enemies are welcome to begin clamoring for an intervention in Cuba, for the

entire adult population here is prepared to defend, by fire and sword, every inch of territory. It is not in Cuba that there is a need to intervene in order to provide humanitarian aid! Why do they not clamor for humanitarian aid for Haiti, where hunger and extreme poverty mow down dozens of lives daily?

What Cuba needs is to be allowed to put into effect the fate it chose and to do so without pressure, threats, embargos, and slander; without requests for foreign intervention; and through the praiseworthy efforts of the sons of Maceo Marti, staunch followers of Fidel, alone.

Economist Stresses National 'Strategic Readjustment'

FL0609124793 Havana Radio Progreso Network in Spanish 1100 GMT 6 Sep 93

[Text] In Chile, Julio Serrano has affirmed that Cuba seeks a strategic readjustment to make its revolutionary project viable in the midst of a very difficult situation characterized by a drop in global products as a result of the loss of its traditional markets and suppliers.

During a visit to Santiago, Chile, the deputy director of the Center for American Studies told LA TERCERA newspaper that the essential components of those changes are national independence, democracy, economic development, and an acceptable level of social equality.

The economist stated that Cuba needs to strongly increase market mechanisms, and that there could be changes in the property system and in the organizational structure of the economy's traditional sectors.

Lezcano Stresses Need To Fight Antisocial Activity

FL0609135493 Havana Radio Rebelde Network in Spanish 0900 GMT 6 Sep 93

[Text] The fight against any form of criminal and counterrevolutionary activity was the central subject discussed at Habana Vieja's Communist Party of Cuba [PCC] assessment meeting. Jorge Lezcano, a member of the Politburo and first PCC secretary in Havana, explained the economic origin of causes that resulted in increased difficulties for the population and the need to confront antisocial actions that could aggravate the situation. Lezcano pointed out that the Politburo has issued measures aimed at stopping negative activities and preventing social disorder from becoming an argument the imperialist reactionary sector could use to act against Cuba.

Habana Vieja's communists stressed the needed fighting spirit and exemplarity each militant must display in their field of action and stressed the need to educate children and adults regarding relations with foreign visitors.

Alarcon Says Crime Watched 'From Abroad'

FL0609021693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Sep 93

[Text] Ricardo Alarcon, president of the Cuban legislature, has met with representatives of the capital's 102 People's Councils, to whom he spoke about matters related to the issue of crime:

[Begin recording] When there is a row in some neighborhood....[pauses] the way we react to a rock-throwing incident, or some provocation, or a failure to react on our part, is directly related to the stability, the security, the survival of the Cuban nation. Truly, because what happens there and our reaction to it are being studied from abroad and are seen as part of a strategic design aimed at putting an end to the Revolution. [end recording]

This meeting was attended by several guests, including Politburo member Carlos Lage, and was presided over by top government and Communist Party of Cuba leaders in Havana. Several participants spoke out on the subject of vigilance.

Stresses Crime Dangers

FL0409002693 Havana Radio Rebelde Network in Spanish 2300 GMT 03 Sep 93

[Excerpt] [Passage omitted] Ricardo Alarcon de Quesada, member of the Politburo and president of the National Assembly of the People's Government, spoke on the forthcoming assessment meetings and crime:

[Begin recording] For revolutionaries it is not only a matter of principles, dignity, honor, and saving the fatherland, the Revolution, and its accomplishments; it is also an issue of survival. What is really at risk is the life of each and every one of us. It would be foolish for a revolutionary, in other words the militants, the millions in the Communist Party of Cuba, the youth, the labor movement, the Committees for the Defense of the Revolution, the federations, etc., to imagine life if there were to be, which will not occur, a counterrevolutionary restoration in our country. We have to say that this is also applicable to our whole population, even perhaps to certain citizens who, today, do not realize that it is their survival that is at stake. This, comrades, is not rhetoric or propaganda. [end recording]

The Havana assessment meeting process and its preparations, organic and people's gardens, and self-consumption gardens were also discussed at the People's Councils of Havana presidents' meeting.

'Enough Resources' To Fight Crime

FL0409160693 Havana Radio Rebelde Network in Spanish 0900 GMT 4 Sep 93

[Text] Jorge Lezcano Perez, first secretary of the Communist Party of Cuba [PCC] in Havana City, stated that we have enough resources to fight criminal, antisocial,

and counterrevolutionary manifestations. Lezcano made these comments during a meeting with presidents of the People's Councils in Havana City, where the focus was the analysis of measures recently recommended by the PCC leadership to confront gang-related and antisocial activities with severity and urgency. Lezcano also stated that we must coordinate all actions that correspond to the political and ideological order of direction and prevention through the efficient action of prosecutors, courts, and the police, together with the effective participation of the masses.

Ideas were presented during the meeting to reinforce the recommended measures, among which was the reinforcement of night surveillance.

Councils Issue Call Against Crime

FL0309233393 Havana Radio Reloj Network in Spanish 2132 GMT 3 Sep 93

[Text] The People's Councils of Havana presidents' meeting analyzed the city's crime situation and issued a call to the People's Councils to participate in the fight against crime. Jorge Lezcano, first secretary of the Communist Party of Cuba [PCC] in Havana, stressed that the moment requires using every existing mechanism to confront the situation, reduce it, and eliminate it. Lezcano explained that all factors must be called into play because the situation will not be resolved through control [represion] and political chatter alone, but will require the use of the Revolution's resources and power. During the meeting, the presidents of the People's Councils of Havana offered suggestions for improving the line of action to be followed, which were recorded for analysis.

Judicial sanctions ranging from the most severe, for actions such as sabotage and terrorism, to those considered grave, such as robbing tourists, will be implemented. This was announced at the meeting by Jose Luis Toledo, head of the prosecutor's office in Havana, adding that trials will be conducted with more severity. Colonel Orlando Jordan stressed that the main weapon in this situation is the people. Eduardo Canciano, secretary of the administration, gave a briefing on pertinent guidelines issued by the second secretary of the Central Committee of the PCC Raul Castro.

Ricardo Alarcon, president of the National Assembly of the People's Government, gave a detailed briefing on the period of delegates' assessment meetings, to begin in the last half of September.

Balaguer, Others Criticize Blockade Against Libya

FL0309145093 Havana Radio Rebelde Network in Spanish 0900 GMT 3 Sep 93

[Text] On 2 September, Jose Ramon Balaguer, a member of the Politburo of the Communist Party of Cuba [PCC], attended a reception held at the Arab Union to mark the 24th anniversary of the Libyan revolution. At the event, Ahmad 'Ali Jarrud, secretary of the People's Office of the great Socialist People's Libyan Arab Jamahiriyah, criticized the unjust blockade to which his country has been subjected. He said the United States and its allies, having failed to achieve their colonialist objectives by direct means, have resorted to using the UN Security Council to impose sanctions such as the arbitrary blockade of Libya.

In his speech, Professor Rodrigo Alvarez Cambras, member of the PCC Central Committee and president of the Cuban-Arab Friendship Association, highlighted Libya's economic achievements and called for increased ties between the two countries.

Havana Comments on U.S. Blockade, Caribbean Trade Ties

PA0309145793 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Sep 93

[Roberto Morejon Commentary]

[Text] The combination of Caribbean leaders' firm position and a U.S. attitude which, at least in this case, is apparently less aggressive, could facilitate increased future trade relations between Cuba and the Caribbean Common Market [Caricom]. The meeting in Washington between statesmen from countries, which form part of the Caribbean community, and U.S. President William Clinton has permitted a discussion on possible reprisals for the Caribbean countries' rapprochement with Cuba.

The fact that the House of Representatives' Western Hemisphere Affairs Subcommittee headed by Robert Torricelli had threatened Caricom with suspended trade benefits in line with the so-called Caribbean Basin Initiative cannot be ignored. The suspension would be implemented unless Caricom reconsidered its plans to increase trade ties with Cuba in line with a decision adopted some weeks earlier.

With this on record, the president of Guyana; the prime ministers of the Bahamas, Trinidad and Tobago, Jamaica, and Barbados; and President Clinton reviewed Caribbean trade conditions. The five visiting statesmen argued in favor of the opinion that the moment has come for all of the countries in the hemisphere to work for the normalization of relations, a process from which Cuba must not be excluded. This constructive Caricom position, which corresponds to Caricom interests, conflicts with the position of those in the United States who are promoting Cuba's isolation.

Apparently, the U.S. Administration has taken note of the Caribbean nations's disgust over the threats they have received. On 30 August, Clinton said the decision by these countries to trade with Cuba is not in violation of the Torricelli law, which has tightened the blockade against Cuba.

If the environment does not deteriorate as a result of U.S. actions, the mixed commission with Cuba created by Caricom on 7 July 1993 will function normally. On that day, the nations of the region granted Cuba treatment similar to that granted to the other Caricom partners, that is, Venezuela and Mexico.

If foreign interests do not interfere, the integration process in the Caribbean will gain strength and Cuba and its neighbors will be in a better position to increase technical cooperation in fields such as tourism, agriculture, and biotechnology for mutually beneficial results.

Chinese Protest of U.S. Weapons to Taiwan Noted

FL0609220493 Havana Radio Reloj Network in Spanish 1958 GMT 6 Sep 93

[Text] Ties between China and the United States seem to be under heavy clouds because of Washington's sale of weapons to Taiwan, commercial disagreements, and the cargo ship (Via Lactea) case.

Weapons shipments, a source of deep contention since September of 1992 when the Pentagon decided to deliver 150 F-16 fighter planes to Taiwan, have taken on a heightened twist now that the sale of four aircraft carriers and three frigates has been agreed to.

In a protest note, the Chinese Embassy in Washington said that the (?shipment) in question (?is taking place) despite the fact that reciprocal ties have suffered from the F-16's matter. Those sales violate joint agreements and constitute an indelicate meddling in our internal affairs, stresses the declaration of the Chinese diplomatic mission.

Granma Province CDR Members Hold Fourth Congress

FL0409021693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Sep 93

[Text] Revolutionary vigilance, the food program, and other matters have been discussed at the Granma Province session of the Fourth CDR [Committees for the Defense of the Revolution] Congress.

Revolutionary vigilance is now as it was in the first years following the triumph. Division General Sixto Batista Santana, national CDR coordinator, said at the Granma Province session of the CDR's Fourth Congress, held in Bayamo and attended by 150 representatives from the province's 13 municipalities that it depends, to a good extent, on the survival of the fatherland.

Batista, who is also a member of .he Central Committee of the Communist Party of Cuba, said that constant vigilance is one of the main elements that will create a favorable atmosphere for preserving Cuba's socialist accomplishments.

Granma comes to its Fourth Congress with all its municipalities deeply involved in trying to be declared "Defense-Ready, Phase II," having exceeded the blood donation plan by 2,000 donations. One of Granma's zones, (Tres Macios), reached 1,000 donations, the first in the nation to do so; another, Guasimilla, has reached 800 for the fourth consecutive year.

Granma's CDR members are also outstanding in their support for the food program, the People's Councils, and reforestation tasks. They have planted over 6 million trees during this phase.

The new provincial secretariat is headed by Daniel Salermo, who was ratified in the position, and another eight members, three of whom are professionals. Meanwhile, the candidacies of 43 Granma Province people as members of the organization's national secretariat were approved.

Dominica

Government Signs UN Convention on Refugees

FL0309135593 Bridgetown CANA in English 1303 GMT 3 Sep 93

[Text] Roseau, Dominica, Sept 3, CANA—The Dominica Government can now call on the United Nations High Commissioner for Refugees for assistance in evaluating any requests for refugee status, according to an official statement. The government has acceded to the International Convention on Refugees, proclaimed by the United Nations, the statement said.

External Affairs Minister Brian Alleyne was quoted as saying that the decision will have particular relevance to the Haitian situation. Opposition politicians and representatives of non-governmental organisation had criticised the administration because it had appeared reluctant to explore the possibility of taking in Haitian refugees.

Haiti

Prime Minister Malval Installs Cabinet Members

FL0309144093 Port-au-Prince Radio Metropole in French 1500 GMT 2 Sep 93

[Decree issued by Prime Minister Robert Malval appointing cabinet ministers issued in Port-au-Prince on 1 September]

[Excerpt] Liberty, equality, fraternity, Republic of Haiti. Decree: Robert Malval, prime minister. Given articles 133, 137, 155, 156, 158, 162, 163, 166, 168, and 169 of the Constitution and given the resignation of the prime minister and the ministerial cabinet formed by Prime Minister Rene Preval; given the decree dated 27 August 1993 by the president of the Republic appointing Robert Malval, and given the approval of the choice of a new ministerial cabinet by the president of the Republic; in

consideration of President Jean-Bertrand Aristide's temporary stay in Washington D.C., United States of America, whose return is scheduled on 30 October 1993 and considering that it is necessary to appoint the members of the ministerial cabinet:

Francois Yves Malary is appointed minister of justice; Marie-Michele Rey is appointed minister of finance and economy; Claudette Werleigh is appointed minister of foreign affairs and culture; Jean Belliotte is appointed minister of defense; Francois Severin is appointed minister of agriculture, natural resources, and rural development; Louis Dejoie is appointed minister of commerce and industry; Jean-Joseph Moliere is appointed minister of health and population; Herve Y. Denis is appointed minister of information, culture, and coordination; Berthony Berry is appointed minister of social affairs; Victor Benoit is appointed minister of national education, youth, and sports; Rosemond Pradel is appointed minister of public works,transportation, and communication; Jean-Marie Cherestal is appointed minister of planning, foreign cooperation, and state service; Rene Prosper is appointed minister of interior. [passage omitted]

Politicians React to Malval Speech

FL0309215693 Port-au-Prince Radio Metropole in French 1045 GMT 3 Sep 93

[Text] Some members of the Haitian political sector, who attended the installation of the government, reacted positively. Party leaders who noted Prime Minister Robert Malval's call for reconciliation were Rene Theodore, Serge Gilles, and Gerard Pierre-Charles:

[Begin recording] [Theodore, in Creole] We think that at this historic moment, in the present crisis, with the real difficulties the country is facing, this sober and realistic statement of general policy, devoid of demagogic proposals which cannot be accomplished, is all that Haiti needs. Now, the effective implementation of such a general policy requires a series of other things. The reconciliation that first, President Aristide, and later, Prime Minister Malval talked about should actually come about. The necessary social appeasement should be really possible. It can be possible only if there is real and permanent consultation among sectors of the society, political parties, government, institutions, so that we can make real progress in society. That is what the country needs.

[Gilles, in French] My impressions are good. It is a new departure. Everyone knows that we are a democratic, constructive, and loyal opposition and I have just told the prime minister that I wish him luck. I think that we are going to start a new culture of opposition in order to make progress toward democracy and development.

[Reporter Francois] Mr. Gilles, how did you find Mr. Malval's speech?

[Gilles] I thought that it was fine.

[Francois] He strongly insisted on the return of President Aristide on 30 October.

[Gilles] We were among the first on 2 October to express the desire for a negotiated solution. That is what happened, and we are pleased.

[Pierre-Charles, in Creole] I believe that Malval's speech answers a need of the moment and a clear awareness of the difficulty of that moment; but it is a moment when the people must steel themselves to endure to the last step of the process. It is a difficult process. What does it mean? It is a process of change, a process toward modernity, from too archaic, too backward a system. It is a time of change toward development. We think that the social crisis was very, very deep.

I believe that Mr. Malval's speech showed great political wisdom and great courage in taking on his shoulders such a heavy task, understanding the seriousness of the moment. We must find ways to survive this moment. [end recording]

Costa Rica

Central American Integration Agreement To Be Signed

PA0509023393 San Jose LA NACION in Spanish 26 Aug 93 pp 1, 4A

[Report by Nelson Murillo]

[Text] The minisummit held yesterday in San Jose with Presidents Rafael Angel Calderon of Costa Rica, Rafael Callejas of Honduras, and Alfredo Cristiani of El Salvador has paved the way for our country to sign of the new Central American integration treaty.

Costa Rica is willing to sign the new treaty protocol "as long as the measures are gradual and flexible." Calderon stressed, however, that unification in the areas of currency, customs, and immigration will not get the green right for the time being. The Costa Rican president explained: "We do not disagree with these provisions, but we are not prepared to implement them."

Calderon concurred with Callejas and Cristiani that every nation is entitled to undertake the actions it deems appropriate. "But if two or more states decided to accelerate integration in a specific area, they can do it without running into problems or clashing with those that do not support the decision."

Chamber of Industries President Samuel Yankelewitz said he agrees with the position adopted by our country because the integration treaty is 30 years old and, he feels, it is necessary to make progress on free trade and to take precautions in some areas.

Rafael Leonardo Callejas proposed the minisummit held yesterday in San Jose. It was convened because of news that the Costa Rican president objected to some clauses of the new plan, which prompted concern that the document might not be approved unanimously.

The understanding reached by the three presidents (the meeting was called the C-3) will be ratified during a presidential summit to be attended by the presidents of Guatemala, Honduras, El Salvador, Nicaragua, Panama, and Costa Rica (C-6).

The political crisis in Nicaragua, mainly in the wake of the latest kidnappings, which ended yesterday, will also be analyzed at this summit. Although it initially had been reported that Callejas, Cristiani, and Calderon would discuss the matter, the topic was only mentioned as one of the points of the C-6 meeting to be held tomorrow in El Salvador.

Once the C-3 meeting concluded, the presidents telephoned their Guatemalan and Panamanian counterparts and agreed on tomorrow's summit. They were not able to get in touch with Nicaraguan President Violeta Barrios Chamorro, however, because she was in Mexico on a very brief visit. It is taken for granted she would attend the summit.

When Callejas was asked why the Guatemalan president was not invited to the C-3 meeting, Callejas replied he and Cristiani had concurred on this. Diplomatic sources indicated Guatemala is not opposed to the new integration protocol, and that the "big question" centered on Costa Rica's position.

Calderon recalled that Guatemalan Foreign Minister Arturo Fajardo made an official visit to this country last week, which is why the De Leon administration was informed about the Costa Rican position on this topic.

El Salvador

Government Ends Land Transfers, Implements New Plan

PA0309170493 San Salvador Canal Doce Television in Spanish 0300 GMT 3 Sep 93

[Text] The government has announced the completion of the land transfer process to former combatants in accordance with the peace agreements. It also announced a plan by which the government will deal directly with the recipients of those properties.

President Alfredo Cristiani said the Farabundo Marti National Liberation Front [FMLN] leaders have created most of the problems concerning land properties, therefore, this point in the negotiations has concluded with the implementation of an operational plan.

Cristiani explained that from the beginning the FMLN presented an unrealistic land inventory with a number of fictitious beneficiaries, thus the government has decided to handle agrarian matters directly with the beneficiaries themselves.

FMLN Vice Presidential Candidate Summarizes Platform

PA0409214393 San Salvador DIARIO LATINO in Spanish 1 Sep 93 p 3

[Text] During a courtesy visit to DIARIO LATINO, Farabundo Marti National Liberation Front [FMLN] vice presidential candidate Dr. Francisco Lima said that problems such as judicial corruption, women's rights, and the environment are among the priorities contained in the party's platform.

Lima added that the FMLN's political program also includes the fulfillment of the peace agreements, the implementation of recommendations made by the Truth Commission, and a struggle to achieve the judicial branch's independence. In reference to the issue of the economy, Lima assured that capitalist businesses will be respected, adding: "They will be the foundation of economic development."

He said: "We will even attempt to establish a consensus with the private sector to spark development but eliminate greed." He added: "With resolve, anything is possible, but we must prove that we are an electoral force."

Nevertheless, he pointed out, "we will not accept a liberal market economy but, rather, a social market economy. The state must be allowed to intervene when it is necessary."

"Regarding women, there is an entire chapter (in the FMLN's political platform). Their political involvement, equality, and laws," he said.

In terms of environmental problems, Lima said that today the environment "is a disaster." He said that although "we are poor when it comes to natural resources, our few sources of wealth are being destroyed." He underscored: "Personally, the environment and corruption are going to be of concern to me."

Lima denied that the FMLN is incapable of governing. "It makes me laugh," he said, that "these people (members of the Nationalist Republican Alliance) gained power, and they were incapable of governing." Lima also said that the country has been governed by several military men who "only knew how to murder, yet they governed." In reference to the FMLN, he said: "We are capable of governing!"

Lima added: "El Salvador has not attacked its problems in depth. We have only scratched the surface. We must experience democracy. We must not return to authoritarian and militaristic governments." For Dr. Lima, pluralism means the participation of every sector of the population, and, as an example, he noted that after deputies are elected they forget the people and resolve problems "on the level of status and rank. Demonstrations are the expression of a class of people, and they can be eliminated if opportunity exists," he added.

Lima noted that the televised debates between the FMLN leaders and the political parties have marked "a very significant step," adding: "They are already acknowledging that it is necessary to talk and debate, and if they are doing so on television, they can do so in private."

San Salvador First Criminal Judge Murdered

PA0409043993 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Sep 93

[From the "Up to Date" newscast]

[Text] We regret starting our evening newscast with a tragic item. A few minutes ago unidentified individuals murdered Francisco Arturo Pleytez Lemus, first criminal judge of San Salvador. This occurred at approximately 2010 [0210 GMT] tonight near Constitution Boulevard here in San Salvador. An "Up to Date" news team is at the site trying to gather information.

Guatemala

President Interviewed on Congress 'Purge'

PA0309165693 Guatemala City SIGLO VEINTIUNO in Spanish 2 Sep 93 p 4

[Interview with President Ramiro De Leon Carpio by unidentified SIGLO VEINTIUNO reporter in the Maya Room of the Presidential Palace in Guatemala City; date not given]

[Text] For many deputies, the fact that Ramiro de Leon Carpio, former Human Rights Ombudsman and current president of Guatemala, has requested they give up their seats in Congress, is contradictory. This is simply because it was they, who with their vote, elected him to hold these posts.

Nevertheless, when de Leon announced his decision he assured that the only thing he was doing was communicating the people's feelings to those politicians who have abused their power. Their abuse was to such an extent that they turned the political institutions into centers that damage the democratic system.

De Leon is conscious that not all the deputies nor all the justices have committed acts of corruption. In his opinion, those who are free from "sin" should push for this historic action. During an interview at the Presidential Palace's Maya Room, De Leon Carpio disclosed to us the settings that surround these events. During the interview he appeared serious and concerned which contrasted with his black suit. [sentence as published]

[SIGLO VEINTIUNO] What is the reason for the president to request the deputies and the nine Supreme Court of Justice [CSJ] magistrates to resign?

[De Leon] This is a political decision I made as president. I am making it now because at first I devoted my time to the administrative part. That is, I started with the Executive Branch's restructuring; a new cabinet was formed, and other changes of that sort were made. Subsequently, I noted that the people's plea was to implement the purge of the other branches that make up the state. A president has no other choice but to respond to the people's plea.

The decision was made because the people got sick and tired of certain politicians and leaders, particularly of the CSJ and Congress. Therefore, I started to look for mechanisms to pass that request to the branches involved.

[SIGLO VEINTIUNO] Did the Constitutional Court's (CC) decision simplify the purge process?

[De Leon] I had found a legal mechanism to clean the Congress. It varied after the CC gave the green light to go ahead with the purge. They presented the possibility of the deputies being the ones to resign.

Therefore, acting within the legal framework, and based on the CC ruling, I requested the deputies and the nine CSJ justices to resign. I have hopes that those, who still have not presented their resignation—63 have, 53 have not—will realize that it is the people who are requesting this. I am doing this based on the right to request. This right is guaranteed by the Constitution. If they do not resign I will call for a referendum.

[SIGLO VEINTIUNO] Rodil Peralta said that the justices are studying the purge request while at the same time he said that the Executive Branch should do the same. What is your opinion on this?

[De Leon] I am willing to do anything that benefits Guatemala. As a matter of fact, we are carrying out the restructuring of the Executive Branch. In the Executive Branch, there are still two to three things that have to be cleaned up, but in Congress and the CSJ, everything still has to be resolved. As far as I am concerned, I am not attached to the presidency. However, the Guatemalan people are asking for the purge of the CSJ and Congress.

[SIGLO VEINTIUNO] You have the support of the unions and of the people's organizations. Are the people in the countryside aware of the need to purge?

[De Leon] There is enough awareness and pressure. In my opinion there is not a single sector of the community: religious, university, economic, people's, and labor, that does not support or demand the purge. Even in the most remote areas, when the political issue comes up the reply is: "They must leave."

The people have expressed their support for the purge even though on other points they may not agree with the president. There are people's sectors that do not share my point of view on some economic or salary policies or with regard to the Civilian Self-Defense Patrols.

Nevertheless, I admire those sectors that make up Guatemalan society because they have contributed directly with those types of aspects and now they have given their total support to a purely political issue. This is the first issue that must be solved in this historic period that will allow us to change the nation's political structures, which is something we certainly need.

[SIGLO VEINTIUNO] Will trials be opened against politicians who have committed crimes?

[De Leon] That falls under the attorney general's authority. I know there are preliminary hearings scheduled.

[SIGLO VEINTIUNO] The deputies, who appointed Gustavo Espina, acted illegally. What will be done about that?

[De Leon] The deputies present during the coup against President Serrano here at the Presidential Palace committed a crime, as did those who welcomed Vice President Espina at the Congress. If they are to face a trial, is should be a criminal trial.

[SIGLO VEINTIUNO] What consequences could your recent decisions and statements have?

[De Leon] I have information that indicates there will be assaults of all types, such as negative propaganda campaigns. I will respond, however, through the Attorney General's Office with the law on my side. This is my obligation.

I also have been warned about several attacks that might take place. I reached the decision of a statesman, though. This is what I wish to be: a president who will leave his mark in history, not a wimp who acted timidly. The die has been cast and history will be relentless if I do not act accordingly. This is a peaceful revolution or an evolutionary process that will bring about beneficial changes for Guatemala.

[SIGLO VEINTIUNO] Could a political-civilian war erupt?

[De Leon] The people have reached such a degree of maturity that I do not believe this will happen. Now, I am a responsible president and I will not lead the country into a worse crisis. We will achieve everything if we act with determination and use legal means to reach our goals.

[SIGLO VEINTIUNO] The deputies are approving laws such as the retirement pension increase, while fully aware that the Executive Branch has no way of paying them at the present time. If you veto the law, you are risking the people turning against you. What will you do and how will you prevent being blackmailed?

[De Leon] I have several ways of dealing with this. I can veto the law. I can pay the increase with money allocated to Congress. By this, I mean the deputies' travel expenses, given that they are so generous. If this were the case, the people would be very grateful. I am just joking here. The people are tired of certain deputies and politicians whose behavior is not well accepted, even if they do go around giving money away.

[SIGLO VEINTIUNO] Will the draft bills you are going to present before the new Congress, if and when it convenes, control corruption at all? How would you summarize them?

[De Leon] I am planning to present six constitutional reforms. These will be to change preliminary hearing procedures in order to prevent Congress from being a part and a judge in certain legal proceedings; to eliminate the constitutional provision that permits secret expenses at government agencies; and to ensure the open and clear administration of the national budget. I will present a constitutional reform to strengthen the Attorney General's Office. A fifth reform will strengthen and give autonomy to the Comptroller General's Office. The sixth and final one will strengthen the position of the Ombudsman for Human Rights to enable him to participate in criminal suits.

[SIGLO VEINTIUNO] How long will it take to achieve this "evolution," as you are calling this peaceful revolution?

[De Leon] Very little time. The popular clamor is so overwhelming that nobody can stop us. The only problem is that it has to be done right so that it will not blow up in our faces. Nevertheless, a crisis might not be inconvenient because sometimes great crises give rise to great solutions.

At this moment, Congress is creating a crisis hindering the task of governing. Imagine, Congress is passing laws that involve paying the Executive Branch money it does not have.

The president has no intention of destroying either Congress or the Supreme Court of Justice; instead, he wants to reinforce them. Once these institutions are purged, they will regain credibility and then we will be able to govern and spark the interrelationship of functions among the three government branches. At that time, we will be able to fight poverty and implement all those policies that benefit the people.

New Board of Directors Elected

PA0609140393 Panama City ACAN in Spanish 1159 GMT 6 Sep 93

[Text] Guatemala City, 6 Sep (ACAN-EFE)—After midnight on 5 September, 76 deputies took an important step favoring the purge of Congress as demanded by President Ramiro De Leon Carpio by electing a new Congress board of directors and then resigning.

The new board was elected after President Fernando Lobo Dubon left the special session of 96 of Congress' 116 deputies. Numerous incidents, including a fight between two deputies, occurred during the meeting.

National Center Union [UCN] Deputy Arturo Amiel said "this is the first step toward a self-purge." He admitted, however, that this purge would be possible only if the other 40 deputies resign as well. In August, President de Leon demanded Congress find a formula for a self-purge; otherwise, he would seek the people's support through a referendum. His proposal resulted in a consensus between civilian and political sectors after Jorge Serrano's aborted self-inflicted coup. Until today, legal obstacles and the deep division created among the deputies prevented a solution to the institutional crisis and led to the "war" between the Legislative Branch and the Executive.

The formula chosen for taking the difficult purge path is the result of a stormy session in which the possibility of reaching a "consensus" solution failed because of an insurmountable disagreement between the two "fronts" of interests, which emerged in this context.

Opposing the majority, which demands a "selective" purge affecting 16 legislators, stand the Christian Democratic Party [PDC] and other minority groups, who demand the resignation of all deputies and a referendum to legitimize by vote the "cleansing" of Congress, as President de Leon demands.

At the Sunday night session, where insults, accusations, booing, and all kinds of incidents including a "bout" between two deputies occurred, Congress President Lobo was unable to present "an order of the day," as stipulated by Congress' internal regulations.

Instead, Lobo, whose resignation is demanded by the majority of the deputies, gave the floor to the 16 deputies accused of the serious charge of corruption. Lobo criticized those who are demanding Congress' "selective" purge.

After a recess, the session could not be resume because of the Board of Directors' absence. Consequently, the 64 deputies, who stayed in Congress and call themselves "decent," requested the presence of a justice and a prosecutor to draft a document attesting to the forfeiture of post.

With the intervention of the prosecutor and the justice, the "decent" ones succeeded in instituting legal proceedings against Lobo, whom they accused of suspending the session illegally and violating internal regulations. Then the "decent" ones elected a new board of directors, presided over by Deputy Arturo Soto.

The 64 deputies, who were joined later by 12 others, disowned Lobo and elected another board, presided over by Soto of the Guatemalan Republican Front [FRG] and consisting of representatives of the Democratic Socialist Party [PSD] and UCN. The new board immediately received the resignations of 76 deputies, who propose a selective purge, and expects to receive the resignations of the rest of the deputies, who are members of the PDC and dissident members of UCN and FRG, on 7 September.

With the support of a simple majority, the board also agreed to appear at Congress on 6 September to be sworn in. Lobo is expected to file, however, an amparo at the Supreme Court of Justice.

According to the new board, the Congress plenum should deal with the resignations of the 116 deputies on 7 September and initiate the reforms of the previous Congress to complete the "purge" demanded by De Leon.

Congress 'Divided' by 2 Factions

PA0609190193 Paris AFP in Spanish 1721 GMT 6 Sep 93

[Text] Guatemala City, 6 Sep (AFP)—Today, the Guatemalan Congress appeared divided into two opposing factions, each headed by a board of directors. The legality of these boards will have to be clarified by the Constitutionality Court [CC], now that the session in which the Congress would be "purged" failed on 5 September.

After a bitter dispute between the two factions in which Congress has split into, the so-called Group of 70, at midnight Sunday, disowned the current board and elected new directors, who, as of today, are trying to control Congress with President Ramiro de Leon Carpio's support.

Arturo Soto, new Congress president, told the press that de Leon "backs" them. Meanwhile, the disowned president, Fernando Lobo Dubon, said he is "still Congress president by law" and that he will file an amparo at the CC in a few hours.

During the Sunday session, Congress split into two groups, one, the minority, headed by the Christian Democratic Party [DC], which demands the resignations of all 116 deputies, and the majority, headed by the Group of 70, which also demands that everyone tender their resignations but that the plenum should determine which deputies must resign because they are "corrupt."

Almost five hours had past since a heated session had concluded when approximately 500 people in the galleries disrupted order, creating a situation that allowed Lobo to suspend the assembly; an action that Lobo's opponents used to declare Lobo had "abandoned his post" and that it was necessary to appoint a new board of directors, which is controlled by the Group of 70. The appointment has been endorsed by Attorney General's Office prosecutors.

Meanwhile, the National Consensus Group [INC], which has the support of the Group of 70, publicly asked that only the 16 "bad deputies," who the INC has attacked through a broad media campaign, vacate their posts.

President De Leon, who initially called for the resignation of all Congress deputies and all Supreme Court justices, is now backing the INC position despite the fact that a large percentage of the population, more than 80 percent, according to polls, favors a total state purge.

Meanwhile, an atmosphere of tension and uncertainty prevails in this capital. The situation was aggravated last night by the explosion of a bomb that produced minor damage in the PDC headquarters. This occurred sometime after the conclusion of the angry session in Congress.

The PDC has charged that sugar and coffee producers as well as certain influential families are responsible for "the discredit campaign against politicians" and blames these sectors for the poverty that the majority of the people endure.

Official sources have reported that President de Leon could close the purge issue if the legality of the new board of directors of Congress is confirmed to allow the legislative branch to purge the "bad deputies" and to do the same with the Supreme Court. A source close to the president, who asked not to be identified, told AFP that de Leon "agrees" with this and backs the Group of 70, INC, and a "sef-purge" by Congress. The same source said that "in a few days the president will be calling for a national agreement and for this purpose will call on businessmen, labor union people, and popular organizations.

President on URNG Cache; Alleged Rebel Arrested

PA0509195593 Guatemala City PRENSA LIBRE in Spanish 5 Sep 93 p 4

[Text] A weapons cache and documents belonging to the Guatemalan National Revolutionary Movement [URNG] were found yesterday 12 km outside of Managua, Nicaragua, and an alleged Guatemalan rebel was arrested. This was reported by Guatemalan President Ramiro De Leon Carpio, who said he was informed of the finding by Nicaraguan President Violeta Chamorro.

During a news conference held at 1410 at the Presidential Palace, President de Leon Carpio confirmed that the president of Nicaragua had called to advise him of the finding of the URNG cache and the arrest of the alleged rebel.

According to the Nicaraguan president, the cache was found the night of 4 September. Authorities found between 500 and 600 rifles, RPG-7 mortars, sticks of dynamite, Claymore mines, documents, and a radio the rebels used to call Guatemala in the cache.

According to information, the arrested rebel, whose name was not disclosed by President de Leon Carpio, was born in Guatemala and naturalized in Nicaragua. The rebel's wife was with him at the time of the arrest, but she was not arrested because she is ill.

Though it was not said what the Nicaraguan authorities will do with the weapons and documents found in the cache or with the arrested rebel, President de Leon Carpio said this proves that the war actions executed by the rebels have not stopped.

An Associated Press news report states that Nicaraguan Deputy Government Minister Frank Cesar had said that the cache could be bigger than the one that exploded 23 May. That cache contained weapons that belonged to the Salvadoran rebels.

De Leon Discusses URNG Cache

PA0509012593 Panama City ACAN in Spanish 2116 GMT 4 Sep 93

[Text] Guatemala City, 4 Sep (ACAN-EFE)—On 4 September, Guatemalan President Ramiro de Leon Carpio reported that Nicaraguan authorities have discovered an arms cache near Managua belonging to the National Guatemalan Revolutionary Unity [URNG]. De Leon said he received a phone call from Nicaraguan President Violeta Chamorro, who told him the arms had been found 12 km from Managua and that a suspect had been arrested.

In the 30-square-meter cache, the authorities found more than 600 REG [as received—expansion unknown] rifles, seven Claymore mines, ammunition, dynamite sticks, a radio set, and URNG papers. De Leon said an unidentified Guatemalan, who had adopted the Nicaraguan citizenship, was being detained.

According to de Leon, the discovery of these weapons testifies to the relationship between Central American armed groups and is an indication of the URNG's warlike position. This is the second URNG arms cache found outside Guatemalan territory. In February, Mexican authorities found an arms cache following an explosion. Guatemalan guerrillas, however, have denied reports that they have stashed arms in neighboring countries.

De Leon made the announcement during an unscheduled news conference he called to deny he had been the victim of an attack, as was rumored this morning, and to accuse the guerrillas of blowing up a bridge in the department of Retalhuleu, south of Guatemala City.

Army To Resume Operations Against Leftist Guerrillas

PA0709031093 Paris AFP in Spanish 0204 GMT 7 Sep 93

[Text] Guatemala City, 6 Sep (AFP)—Defense Minister General Mario Enriquez announced today that the Guatemalan Army has decided to resume military operations against the leftist guerrillas, thereby ending a unilateral truce implemented in June. Enriquez told the media that the Armed Forces urged President Ramiro de Leon Carpio to intensify military actions against the guerrillas headquartered in northwest Guatemala after 33 years of fighting.

The officer said that the military institution decided in early June to "call a recess" to allow the newly installed president to negotiate the "much wanted peace" with the Guatemalan National Revolutionary Unity (URNG). The officer added: "While the government and Army are trying to consolidate peace in Guatemala, the URNG is building up its arsenal." As proof of this, he cited the discovery of an arsenal belonging to the Guatemalan guerrillas found last week in Managua, Nicaragua.

Meanwhile, Hector Rosada, president of the government's Peace Commission, announced today that talks with the URNG, a coalition of four guerrilla groups, could resume in early October. The talks, which started formally in April 1991 during the administration of deposed President Jorge Serrano, were suspended a year and a half later, after 13 rounds of talks, which produced little progress.

President De Leon Carpio Denies Rumors of Attack

PA0509200993 Guatemala City PRENSA LIBRE in Spanish 5 Sep 93 p 4

[Text] On 4 September, President Ramiro De Leon Carpio denied having been attacked and confirmed that he is having problems with an old injury to his right knee. President De Leon Carpio was admitted to the Centro Medico in Guatemala City a few hours later for treatment of his knee injury.

"My knee hurts, but this is the result of an injury I suffered many years ago when I played soccer. Early this morning (4 September) the pain got worse and this afternoon my knee will be drained," the president said.

To deny rumors of the attack, President De Leon Carpio called a news conference, which was held in the Mirrors Room at the Presidential Palace. He said he is feeling fine, mentally as well as physically, and explained that the rumors began shortly after a traffic accident occurred on one of the corners of the Presidential Palace. The accident occurred at 0310 on 4 September.

De Leon Carpio thanked the reporters for their concern and stressed that the problem has to do with an old injury that flared up during the early hours of the morning.

Meanwhile, President De Leon Carpio was optimistic about the purge process that begins today with the resignation of the Congress deputies. "The people of Guatemala hope to get a positive response from the deputies since they are the ones asking for and demanding a purge of the government institutions," De Leon Carpio said.

Government Presents 1994 Budget Proposal to Congress

PA0609012893 Guatemala City SIGLO VEINTIUNO in Spanish 3 Sep 93 p 5

[Report by Carmen Aida Ibarra—all figures as published]

[Text] On 2 September, the Public Finance Ministry presented its proposed 1994 fiscal general budget of revenues and expenditures to the National Congress. The proposed budget totals 8.850.665 billion quetzals.

The document was presented by Budget Technical Director Jaime Reyes to the senior legislative official, Luis Mijangos. As a result of the current political and institutional crisis taking place in Guatemala, the traditional annual ceremony in which the finance minister meets the president of Congress and the Board of Directors to present the document was not held on this occasion.

The 1994 budget proposal must be approved by the legislative assembly by 30 November; otherwise, the

1993 budget will remain in effect, which would force the government to adjust all items included in the budget.

A note from Finance Minister Richard Aitkenhead states that the earmarked 8.851 billion quetzals is only 10-percent greater than what had originally been estimated for this year. Aitkenhead also notes that this is due to cost cutting measures on items such as operating costs, where 4.407 billion quetzals has been earmarked for 1994. This reflects a four percent increase with respect to 1993.

In terms of public investments, approximately 2.438 billion quetzals is proposed. This amount represents a 41-percent increase with respect to the 1993 budget. The investments are aimed at meeting social needs in rural areas, with special emphasis on social funds to fight poverty, which will amount to some 568 million quetzals.

It is expected that current revenues will total 7.449.4 billion quetzals, including 6.372 billion quetzals in tax revenues. This item projects a 17 percent increase resulting from the positive impact of the tax modernization process, legal penalties against tax evasion, and the implementation of the Territorial Tax [Impuesto Territorial].

Likewise, capital revenues totalling 399 million quetzals are projected, while 1.401 billion quetzals are expected to come from internal and external debt disbursements and negotiations. Current revenues include 325 million quetzals from the sale of state assets. Meanwhile, there is an estimated deficit of 390 million quetzals, which will be financed exclusively through non-inflationary external resources.

The legislative branch will have a budget of 60.5 million quetzals, thereby facing a reduction of 17 million quetzals in comparison with that of 1993. The Development Ministry did not receive any funding. This confirms that this ministry will soon be eliminated. The Culture Ministry will get 64.7 million quetzals in 1994. The Presidency will receive 741.7 million quetzals; the Foreign Ministry, 92 million quetzals; the Government Ministry, 267.592 million quetzals; and the National Defense Ministry, 641.176 million quetzals.

The Finance Ministry will receive 1.502 billion quetzals. There will be 1.236 billion quetzals for the Education Ministry; 707.519 million quetzals for the Public Health Ministry; 32.6 million quetzals for the Labor Ministry; 351.9 million quetzals for the Agriculture Ministry; 37.4 million quetzals for the Economy Ministry; and 1.016 billion quetzals for the Communications Ministry.

A budget of 35 million quetzals is being proposed for the Energy and Mines Ministry. Meanwhile, the Attorney General's Office will receive 26.5 million quetzals, and the nation's Comptroller General's Office will get 29.581 million quetzals.

De Leon Confident of Approval

PA0309155793 Gautemala City PRENSA LIBRE in Spanish 2 Sep 93 p 2

[Text] President Ramiro de Leon Carpio and other government officials believe the Congress of the Republic will not adopt a vindictive attitude when fiscal 1994's general budget proposal is disclosed.

As result of the conflict between Congress and the executive branch, government officials have expressed concern that congressional deputies may decide not to approve the 1994 budget in "retaliation" for the purge process the executive branch has decided to launch against the legislative and judicial branches.

When consulted on the issue, President Ramiro de Leon Carpio said he did not believe this would happen, but he added that if it did, the deputies would be acting in a very irresponsible manner. The president indicated that, in any case, it would be up to a purged Congress to finally decide on the budget proposal.

The government will present its budget proposal today to Congress. The real amount involved in the budget was disclosed on 1 September. Now, the Legislative Branch has until November to to approve the budget proposal. The 1993 budget will be in effect until then.

Government Minister Arnoldo Ortiz Moscoso said revenge by the deputies would constitute an offense to the people, not to the executive branch. Government spokesman Felix Loarca Guzmana, in turn, dismissed the possibility, noting the executive branch would abide by the terms of the law.

Loarca explained that the Health, Education, and Government Ministries stand to benefit the most from the new budget bill, while operating expenses for next fiscal year will be the same as those in force in 1993.

Honduras

Callejas, Jamaican Premier Hold News Conference

PA0509041593

[Editorial Report] Tegucigalpa Voz de Honduras Network in Spanish at 1720 GMT on 3 September carries a 36-minute live relay of a news conference by Honduran President Leonardo Callejas and Jamaican Prime Minister Percival Patterson. The news conference, which is broadcast in progress, is being held at the Presidential Palace in Tegucigalpa.

Honduran President Callejas begins by making a statement thanking Prime Minister Patterson "for the honor and pleasure" of having him in Honduras. The announcer notes that this was part of Callejas' opening statement, and he then introduces Patterson.

Patterson, speaking in English with an interpreter providing a simultaneous translation into Spanish, notes that the purpose of his visit is twofold: To discuss bilateral relations and "to explore possibilities for further cooperation between the people of Central America and the people of the Caribbean."

Patterson says Honduras and Jamaica, "which represent Central America and the Caribbean," have a "special obligation to lead the process of improving cooperation between the two common markets." Patterson adds: "Now we are ready to move onto the next stage, the launching of an association of Caribbean states." Later, when addressing President Callejas, Patterson notes: "Now we are ready to sign the agreement on economic and technical cooperation, which resulted from your visit to Kingston last year."

After Patterson's opening statement, Callejas explains that Patterson's visit creates opportunities for establishing a technical cooperation program. Patterson notes that currently trade relations between the two countries are at a very low level.

As the question-and-answer session gets under way, a reporter asks Patterson about his perceptions concerning the North American Free Trade Agreement (NAFTA).

Patterson responds: "I am in Honduras after having spent a week in Washington and Mexico. One of the matters discussed during both visits had to do with the possible implications of NAFTA on the economies of the Caribbean countries. In my conversation with the president this morning, we shared a common analysis of the viability of NAFTA as a precursor to a hemispheric free trade agreement. But, we also recognized that there are certain transition problems that will [word indistinct] to the economies of both the Central American and Caribbean countries, if harm is not to occur to our economies in the initial transition period. We were in full accord as to the best manner in which our interests could be protected, for both the Caribbean and Central American countries."

Patterson explains that the association of Caribbean countries will comprise "all the countries that are a part of the Caribbean Sea, and all shores that are washed by the Caribbean Sea." He adds: "Membership will not be based on political criteria. It will not be an association that attempts to cut across the separate regional arrangements that presently exist for member-states. It will provide a framework for economic and technical cooperation, as well as a forum in which the leaders of sovereign governments of this area can pronounce on global issues and on world matters regarded as being paramount to the interests of the region as a whole."

Patterson is then asked whether Jamaica will support Nicaraguan President Violeta Chamorro in the current dispute in which Sandinist Army chief Humberto Ortega is refusing to resign.

Patterson answers that he and President Callejas are interested in democracy and political stability prevailing in the region. He notes: "In this regard, we will lend our full support in all the appropriate forums, whether it be in the Organization of American States or the United Nations."

Callejas then discusses Honduras' position on Nicaragua: "The Central American nations do not act unilaterally." He adds: "We are continuing discussions in that case. We held a meeting in El Salvador on this. The Central American foreign ministers were in Managua until Wednesday and they will return Sunday."

Callejas reports that he spoke with Salvadoran President Alfredo Cristiani on 2 September to establish a link between the foreign ministers to issue a communique in support of the Chamorro government. Callejas says that the Honduran Government "backs President Chamorro to the extent she may require our solidarity to overcome the crisis that has existed in Nicaragua for some time but which became more acute yesterday because of verbal expressions by Humberto and Daniel Ortega."

Callejas then summarizes Honduras' position on Nicaragua and other nations in the region: "We do not agree with any disruption of the law in any of our countries, but it would be premature to assume that the Constitution will be violated in Nicaragua. So far this has not happened. Neither the foreign ministers nor the presidents have any information on this happening. I would ask the media not to speculate about situations that could alter Central America's institutional framework."

A reporter asks Callejas to comment on the role of the foreign ministers' commission for Nicaragua. He responds: "It will continue mediating, as planned, based on invitations from the Nicaraguan Government."

The news conference concludes at 1756 GMT.

Nicaragua

Sugar Workers Attack Presidential Palace

PA0409002593 Managua Radio Nicaragua Network in Spanish 2330 GMT 3 Sep 93

[Report by unidentified reporter from the Presidential Palace—live]

[Text] At this moment, Jorge Ramirez Acevedo is leaving the meeting taking place between the National Opposition Union [UNO] and the Presidency and other UNO members. Many people, who are parked at the Presidential Palace, are trying to leave the parking lot given the mortar attacks may continue. Mortars continue to strike the Presidential Palace. This mortar exploded very near the Presidential Palace. The mortars launched by striking sugar workers are closing in on us. Listen to how these bombs are exploding over us. The

military authorities still have not begun to stop these gentlemen from launching these mortars against the Presidential Palace.

Defense Information Directorate Control Transferred

PA0309140293 Managua Radio Nicaragua Network in Spanish 1100 GMT 3 Sep 93

[Presidential Decree 37-93 issued by President Violeta Chamorro in Managua on 2 September; from the "This Morning" newscast—read by Presidential Adviser Thomas Delaney]

[Text] The president of the Republic of Nicaragua, whereas:

1. The state is dutybound to adopt measures to guarantee, strengthen, and defend constitutional order, domestic security, and stability of state institutions.

2. The professionalization and modernization of the state and its institutions, and the harmonic subordination of the military power to civilian power, in keeping with the constitution and the law, have been permanent concerns of the government.

3. As president of the Republic and supreme commander of the nation's defense and security forces, it is advisable and timely to transfer national security organizations to the direct control of the president of the Republic.

Thus, and in keeping with the powers established in Articles 144, 150, and 151 of the political Constitution, the president has issued the following decree by which the Information Directorate for Defense, DID, is transferred to the control of the Presidency of the Republic.

Article 1: Based on Articles 14 and 15, subsubparagraphs 1 and 3 of Law No. 75 of 27 December 1989, which was amended completely by Decree-Law No. 291 of 8 January 1991 and published in Issue 28 of LA GACETA of 8 February 1991, the DID, which is currently under the General Command of the Sandinist People's Army, is placed under and subordinated to the president of the Republic.

Article 2: This decree will enter into effect on 2 September 1993.

To be published in the official LA GACETA newspaper.

Issued in Managua on 2 September 1993

[Signed] Violeta Chamorro, president of the Republic of Nicaragua

UNO Presents Agenda for National Dialogue

PA0309231093 Managua LA PRENSA in Spanish 31 Aug 93 pp 1, 14

[Article by Roger Suarez]

[Text] On 30 August, the National Opposition Union [UNO] Political Council presented to the Central American foreign ministers a proposal for their agenda on a dialogue with the government and the opposition coalition. The proposal has nine topics including constitutional reforms; restructuring state branches and the Sandinist People's Army [EPS]; the return of confiscated property; and the dismissals of [EPS Commander Humberto] Ortega and [Presidency Minister Antonio] Lacayo.

1. Verification

The UNO proposes to form a Verification and Guarantee Commission with the participation of Cardinal Miguel Obando y Bravo, OAS and UN representatives, and Central American presidents, to verify compliance with any agreements reached.

2. Human Rights

The 13-page document requests the trial of Army and police officers, who have violated human rights. It also requests the dismantling of the terrorist forces that operate in the country and the thorough investigation of clandestine cemeteries.

The government must comply with international treaties that advance human rights and create an Attorney General's Office to promote these rights. Those guilty of crimes against former resistance members must be punished. The murderers of Arges Sequeira, Jean Paul Genie, and Enrique Bermudez must be punished.

3. Constitutional Reforms

Regarding constitutional reforms, the UNO proposes to clearly define and strengthen municipal autonomy. It also recommends electoral reforms essential to the Electoral Law and the restructuring of the electoral apparatus.

4. Restructuring of State Branches

The restructuring of the Executive, Legislative and Judicial Branches as well as the Electoral Tribunal and the Comptroller General's Office are other points on the agenda.

The fact that the solution to the problem of the National Assembly rests on the UNO regaining a majority in the Assembly, as well as the election of a new Board of Directors for that body in accordance with its internal statutes and rules, are other considerations in the proposal.

The UNO requests that the Executive Branch comply with the Bambana Agreement, reform Law 1-90 regarding the formation of new ministries, create a council of ministers, and assign duties to Vice President Virgilio Godoy that are worthy of his position.

The UNO also plans to discuss the following topics in its first meeting with the government: To rid the Cabinet

and sensitive government positions of Sandinist officials and corrupt elements, dismiss Minister Antonio Lacayo, reinstate Guillermo Potoy to his position as comptroller general, and increase the number of Supreme Court Justices from nine to 12.

5. Armed Forces

The immediate dismissal of General Humberto Ortega and other Army and police members, who are found to have been involved in human rights violations; the appointment of a civilian as defense minister [as published]; and a ban to keep the EPS from carrying out any commercial transactions are included in the chapter on the Armed Forces.

6. Electoral Plan

The UNO wants to reach an agreement with the Executive Branch on an electoral plan for the municipal elections and for elections for the Central American Parliament and to the Autonomous Regional Councils on the Atlantic Coast, and on international supervision for these elections.

7. Property Ownership

A total and absolute solution to the issues of property ownership, confiscations, expropriations, illegal invasions, and takeover of land should be done in accordance with the spirit of Law No. 133. Law No. 133, on the Restoration of Legal Order on Private, State, and Municipal Property, which was issued by the National Assembly, was vetoed by the Executive. The infamous "pinata-like giveaway" is also included in this chapter.

8. Economic Reconstruction

The UNO agenda for a dialogue with the Executive refers in its eighth chapter to the establishment of judicial and financial conditions that will advance economic growth and readily eradicate fraud, abuse, disorder, bureaucracy, and incompetence from the branches of the state.

9. The State's Social Policy

The ninth and last point on the proposed agenda is the longest and it deals with the government's social policy. This point recommends steps to lessen the impact of economic measures on the poorer classes.

Chamorro Discusses UNO Absence From Talks

PA0709003393 Managua Radio Nicaragua Network in Spanish 2239 GMT 6 Sep 93

[Speech by President Violeta Chamorro at the Presidency in Managua—live relay]

[Text] Mr. Joao Clemente Baena Soares, secretary general of the OAS; Foreign Ministers of Central America, Julio Linares of Panama, Benrd Niehaus of Costa Rica, and Mario Carias of Honduras; Mr. Deputy Foreign Minister Luis Alberto Padilla; Secretary General Roberto Herrera Caceres of the Central American Integration System; members of the National Directorate of the Sandinist National Liberation Front [FSLN]; members of the cabinet; Ambassadors representing your countries here today; and ladies and gentlemen:

On 3 May of this year, I called for a national dialogue, aware of the need to find a national agreement that would depolarize the country and calm the increasing levels of tension among the Nicaraguan political classes, which began with the suspension of U.S. aid in May, 1992. I called for the dialogue soon after I was informed on 2 April 1993 that President Bill Clinton had decided to normalize this situation. To this end, I issued individual invitations to bilateral talks to each of the major political forces of the country, trade groups, and labor unions. I later held multisector discussions to address specific issues, such as agriculture and the modernization of the government's institutions. Both issues were of national interest.

The situation, however, did not allow the participation of the National Opposition Union [UNO], which refused to attend the meetings with other political forces. In trying to convene a meeting with all sectors, I did my best to hold bilateral meetings with UNO to try and make it realize the seriousness of the situation the country is experiencing and the need for UNO to join the efforts.

With this in mind, we held special meetings with UNO on 20 May, on 18 and 20 June, and on 1 and 21 July. The last meeting was attended by Monsignor Eddy Montenegro, representative of Nicaragua's Bishops Conference. He witnessed UNO Political Council members walk out of the meeting. This blocked any possibility of reaching a bilateral understanding and, therefore, of reaching a multisector understanding in the country.

Nevertheless, four weeks later, as a result of the double kidnappings, which occurred in Nicaragua on 12 and 20 August [dates as heard], representatives of UNO, the FSLN, and the government appeared in this same building on 20 August to work together in a patriotic and unselfish manner to achieve the liberation of all those kidnapped, including members of the government, the Special Disarmament Brigades, National Assembly representatives, representatives of the UNO Political Council, and the nation's vice president. That same night, we managed to sign an agreement between the government, UNO, and the FSLN which, in addition to committing ourselves to work for the liberation of hostages, paved the way for a possible understanding among all. This could move us toward eliminating the obstacles which, up until today, have prevented us from reaching a national agreement.

A few days after 25 August, the hostages were freed and I immediately began to work on a national agreement.

Two days later, at a meeting in San Salvador, El Salvador, with my friends the Central American presidents, I asked and obtained their unanimous support to achieve this noble objective.

On that same day and without delay, I invited the UNO and the FSLN to a meeting to start a tripartite dialogue, which would help us achieve the desired national agreement. I scheduled the meeting for Tuesday, 31 August, at 1800. On the date I issued the invitation, UNO said it was not ready to initiate a dialogue and requested that it be postponed until today. UNO clearly established, in front of the Central American foreign ministers and the rest of those present, that we could start the dialogue without any preconditions on this date.

Encouraged and hoping to prepare conditions for the dialogue that was scheduled to start today, I agreed to hold daily and intensive meetings to bring the positions of the government and UNO closer, because previously we had both been committed to the implementation of the government program promised to the Nicaraguan people during the past general elections.

The government attended the 1-5 September meetings with great diligence and dedication. At the end of those meetings, however, and only a few hours before the scheduled meeting, UNO again requested that the required tripartite dialogue be postponed.

The Central American ambassadors, who accompanied us all during these days of bilateral dialogue, can verify that the most significant UNO demand we have not been able to satisfy is the demand that the executive branch guarantee the resignation of a group of National Assembly members, who were elected in the same elections in which I was elected president. This request is beyond the options available to a president who is building, amid great difficulties, a democracy in a state of law. I regret the attitude of the UNO representatives.

I do not think this is the time to delay the solution that will allow us to strengthen the democratic process and the economic and social development that the Nicaraguan people are rightfully demanding. I am also convinced that the times demand that we push aside all of our differences for the wellbeing of our fatherland. We must act with patriotism and open minds in an effort to preserve the nation's interests.

Confronted with such hesitation, we hope that UNO will manifest, with clarity and sincerity, its desire to attend the national dialogue. We again ask the Central American presidents for their support, which I am sure they will give me at that time.

I am working to further a national agreement among the government and all the sectors in Nicaraguan society; an agreement geared to achieve reconciliation, democracy, peace, and to overcome the crisis in the country. As is the opinion of the Central American presidents, the OAS, our international community friends, and the Nicaraguan people themselves, this agreement requires understanding among the two main political parties in the country and my government. I am ready for this and hope both political forces, the FSLN and UNO, are also ready. Therefore, I await their decision.

Thank you to all my dear friends, and I appreciate the presence here of my friends, the foreign ministers.

Foreign Minister on Talks

PA0609032293 Managua Radio Nicaragua Network in Spanish 0105 GMT 6 Sep 93

[Interview with Foreign Minister Ernesto Leal by unidentified reporters at the Presidency in Managua; monitored in progress—live relay]

[Text] [Leal] ...The National Opposition Union [UNO] stated that it was important to hold bilateral talks between the UNO and the government prior to attending the tripartite dialogue between the UNO, the government, and the Sandinist National Liberation Front [FSLN]. UNO asked for five days of intense dialogue, practically a permanent session, as it was called, between the government and UNO. We agreed to this, showing a flexible stand, because we are aware that Nicaragua needs to reach a national agreement.

As you have witnessed, we have been involved in an intense bilateral dialogue between the government and UNO. It started on Wednesday and continued through Thursday, Friday, Saturday, and Sunday. Of the nine points discussed, we reached an accord on the mechanism that was to be used for the verification and follow-up of any agreements that were reached. We also agreed on the Judicial Branch issue. We almost reached an agreement, it had not been fully accepted, but it was a matter of minutes, on the Comptroller General's Office and the Electoral Council.

Obviously, there were other topics, such as the economic plan, the property issue, the Armed Forces, and constitutional reforms, which involved matters that had to be discussed in a tripartite dialogue among the government, UNO, and the FSLN.

When we began discussing the assembly, the legislative branch, there were certain positions. We agreed to sign a commitment on behalf of the government in which it promised to make every effort to find a solution for the National Assembly problem, a solution that would enable the 51 UNO deputies to return to the assembly, and, in turn, the assembly could begin operating with 92 deputies, as should be the normal practice. Why? Because the government wants constitutional reforms and it knows that the only way to pass these reforms is with 92 deputies. The government wants thorough constitutional reforms, as we have mentioned before.

UNO said the government should resolve the legislative problem, but this is not a matter that concerns the

government alone. It is a matter that basically concerns every component of the Legislative Branch. There are 39 FSLN deputies who, obviously, occupy 39 seats. They comprise 39 votes and 39 voices out of 92 at the assembly. Consequently, an agreement had to be reached with them. In addition, there are nine deputies of the Center Bloc, and an agreement also had to be reached with them.

UNO has presented a letter with its most recent proposal. According to this proposal, the tripartite dialogue should be postponed another week. The government made a counterproposal to initiate and begin the tripartite dialogue tomorrow at 1000, as was previously agreed, and you are aware of this.

One foreign minister has already arrived today. In a few minutes, a deputy foreign minister, who will represent his foreign minister, will be landing, and the three other foreign ministers will arrive tomorrow morning.

The government proposed the start of the national dialogue, or tripartite dialogue, and, at the same time, the continuation of bilateral talks. Unfortunately, UNO did not accept our proposal, a proposal that we feel is reasonable, feasible, flexible, and a proposal that can work for the benefit of all Nicaraguans.

This is, in the end, what has happened over these past few days. I would say that of the nine points, we reached agreement on verification, follow-up work, and the judicial branch, which is part of the reorganization of the branches of the state. Nevertheless, 40 percent of the points had already been covered. There are some issues that are of national interest, issues that are not UNO-government bilateral interest alone.

We could have made progress in some other areas also. Unfortunately, UNO rejected this. It stated that no progress could be made in any other areas unless the legislative problem was resolved.

The government feels that in order to reach any satisfactory agreements, both sides must be willing to yield. Both parties must be aware that there are no winners or losers. Nevertheless, I feel that all of this has been misunderstood.

Finally, we proposed the discussion of other topics, because it was already 2000 and we were willing to continue talking into the very late hours of the evening. This is a summary, perhaps not in great detail, of what has happened today.

[Reporter] What efforts will be made to resume the dialogue?

[Leal] We believe that we are willing to undertake any efforts. We made a commitment to the international community. You have seen the dispatches and messages sent by various international sectors, countries, and groups. With regard to this, you saw the communique issued by OAS Permanent Council, offering to help us hold a tripartite dialogue, a dialogue which was obviously in line with the government's effort to simultaneously hold bilateral talks with UNO.

[Reporter] I have talked with some UNO representatives, and they said that yesterday they suggested a discussion on the executive branch, thereby putting aside the National Assembly issue. They said it was rejected, however. It was not really a rejection from the government; the wording they used was that the government played with the National Assembly issue to waste time and avoid discussing the executive branch issue. This seems to be a slightly different version from what you are telling us now.

[Leal] Well, everyone has his own opinion. I disagree with that statement. There has been no game-playing here. No one has been playing. We have taken this with the seriousness it deserves and the responsibility we should have as members of the Government of the Republic of Nicaragua. We do believe that we could have continued the talks. Proof of this is that we are still here. We could have continued discussing the executive branch issue or any topic UNO considered pertinent.

[Reporter] Some UNO members say that they will not attend the national dialogue tomorrow because of reasons that have already been outlined. Then, what will happen here if UNO fails to show up for the dialogue? What will happen?

[Leal] This means that solutions for the Nicaraguan people will be postponed. I will regret it very much if UNO fails to come to the tripartite dialogue, a dialogue for which Nicaraguans have waited so long, a dialogue that they need so much, and a dialogue that the international community has been awaiting.

[Reporter] A few minutes ago, you said that agreements were nearly reached on the Comptroller General's Office and the Electoral Council. What prevented you from reaching these agreements? In addition, you said that certain aspects concerning the solution to the National Assembly problem were presented; however, you did not explain these.

[Leal] Well, agreements were nearly reached because we proposed on several occasions that the commission reviewing the Comptroller General's Office and the Electoral Council, issues in which there were positions that could be easily reconciled, would withdraw to reconcile these positions, but UNO rejected this suggestion.

[Reporter] In other words, there will be no dialogue tomorrow?

[Leal] Let us hope that there will be a dialogue.

[Reporter] Should we understand that UNO withdrew from the negotiating table?

[Leal] For today, yes. The UNO representatives are waiting for the president to agree to postponing the national dialogue for another week.

[Reporter] If the FSLN shows up at the dialogue tomorrow, as planned, will the executive branch hold talks with it in the presence of the foreign ministers?

[Leal] Well, it is a national dialogue. We have been trying to promote a tripartite national dialogue. We will gain nothing by wearing the government out in a bilateral dialogue with UNO, and then in another bilateral dialogue with the FSLN, and, in addition, there are other parties that are not at the parliament but which also want to participate. It would be practically endless for us. The ideal thing would be for the two largest political forces of the nation to meet with the government to seek a national agreement.

[Reporter] Does this mean that the FSLN was right when it said that these were going to be forced talks?

[Leal] Everyone is entitled to his own opinion, and the government must respect these opinions. Thank you.

D. Ortega Holds News Conference

PA0709043993 Managua Radio Nicaragua Network in Spanish 2310 GMT 7 Sep 93

[News conference by Commander Daniel Ortega, Sandinist National Liberation Front secretary general, with unidentified reporters in Managua—live]

[Text] I want to tell my Nicaraguan brothers that just as we had agreed to after meeting with the Central American foreign minister and the National Opposition Union [UNO], the government, UNO, and the Sandinist National Liberation Front [FSLN] were scheduled to meet today because the FSLN had accepted the date proposed by UNO. UNO proposed that we meet on 6 September, and, consequently, we came to the meeting this afternoon only to find that UNO was not present.

This afternoon we attended a meeting with the foreign ministers, OAS Secretary General Joao Clemente Baena Soares, the ambassadors, and the government, and we stated the following:

1. The Sandinists will continue working to make the national dialogue a reality.

2. Based on the concern specifically expressed by the EEC, the Nordic countries, Spain, Mexico, and Canada, it would be appropriate to augment international participation to strengthen the process leading to a national dialogue.

3. We reject any kind of preconditions to the national dialogue.

4. We suggested that the Central American foreign ministers; the OAS secretary general; the Latin American countries; the Latin American organizations, such as the OAS; and the international community contact U.S. leaders and Congress to alert them to the importance of U.S. cooperation to Nicaragua at this time. A possible blockade of U.S. cooperation or of the resources from international organizations, such as the IMF, the World Bank, the Inter-American Development Bank, and others, would be fatal to the Nicaraguan people.

It would impose more sacrifices and pain on the Nicaraguan people. It would simply intensify the crisis and bring chaos and destabilization to this country. On the other hand, a normalization of relations between the United States and Nicaragua would be positive and it would help our country start to overcome its deep crisis. The signals from the United States at this time could spur chaos and destabilization [words indistinct] but, if the funds are unfrozen, they could spur national dialogue, understanding, solutions to the crisis, stabilization, and peace.

These were the points we made during this afternoon's meeting with the government, the Central American foreign ministers, the OAS Secretary General, and representatives from other organizations who were present at the meeting.

[Reporter] Commander, how would you describe what happened today at this meeting, which UNO failed to attend? How could the FSLN contribute to meeting the UNO demands in terms of the assembly issue, in addition to expressing its readiness to begin the dialogue?

[Ortega] First, I must point out that we are very concerned because we believe the Nicaraguan people are suffering from hunger, unemployment, economic recession, and a lack of financial aid for production. We cannot approve of the fact that a significant part of Nicaraguan society, represented by leaders whose political parties are, in this case, members of UNO, will not participate in the dialogue. This lack of will to engage in dialogue simply does not help us Nicaraguans face these serious economic problems, or to resolve them immediately, while we are resolving those political issues related to the very broad and multiple demands of UNO.

We believe that we should already be working on a solution to the economic crisis that is killing the Nicaraguan people by way of hunger, by pushing the Nicaraguan people into mass unemployment, by denying financial aid for production, and by plunging the country into chaos. This then is my concern. It is probably also the concern of the great majority of Nicaraguans, including the masses who voted for UNO. In addition to whatever efforts we can make to communicate among ourselves and to bring about the tripartite dialogue, I believe that greater participation on the part of the observers and friends of this process, the countries that have already spoken out on our behalf, would help convince others who have not yet expressed their support to do so.

Perhaps the best-known of the specific demands presented by UNO is the one pertaining to the Center Bloc deputies. I think this issue should not have been presented as it was by UNO. To request the removal of the Center Bloc deputies as a condition to beginning the dialogue simply violates the state of law that Nicaraguans are trying to strengthen. By formally stating in

writing that the Supreme Court of Justice is obliged to rule against the Center Bloc deputies, UNO's leaders are promoting a violation of the state of law, which could also be called solidarity. From a legal point of view, trying to intrude upon the jurisdiction of an independent and autonomous entity such as the Supreme Court of Justice is a criminal act greater than any other. In other words, one cannot say to the court: Ladies and gentlemen, you must rule in such and such a way. The court will hand down its ruling in accordance with the law. One cannot make such a statement.

Therefore, we believe more rational proposals need to be made. I am going to give you an example. There are 39 Sandinist depuities in the National Assembly. What would happen if tomorrow 20 of these 39 deputies decided to join the ranks of UNO? What could we do? We could not demand their return. We could not say: If you do not give us our deputies, we are not going back to the National Assembly. This is the essence of democracy: respect for political positions. This is why we believe their demands are quite irrational.

[Reporter] [words indistinct]

[Ortega] I believe we must continue fighting and that the people must make their voices heard. The Nicaraguan people must honk their horns and they must bang on pots and pans to demand a national dialogue, which will help us face the problems of hunger and unemployment experienced by the people.

[Reporter] Is there any new date set for a tripartite dialogue? How long will the FSLN be willing to wait if this goes on?

[Ortega] What was your first question?

[Reporter] Is there any tentative date set for another tripartite dialogue?

[Ortega] No tentative date has yet been set. We did not speak about any tentative date. We are working to hold the tripartite dialogue. The question I would ask is this: How long will the Nicaraguan people be willing to wait? I said the Nicaraguan people, not the FSLN. I believe the Nicaraguans, who are suffering from unemployment and a lack of financing, are not willing to wait much longer.

[Reporter] When you say you reject any type of conditions for a national dialogue, are you saying you would not be willing to accept any type of bilateral agreements between the government and UNO?

[Ortega] We believe it is within the context of a national dialogue that all topics need to be discussed, and, therefore, no preconditions should be set, even if some agreements have been reached. It has been said that during these five days of talks some agreements have been reached between the government and UNO. It is reported that some agreements have been reached regarding the Supreme Court and who knows what other topics. These topics will have to be discussed at the tripartite dialogue anyway.

[Reporter] What will happen if UNO does not sit at the negotiating table? What position will the FSLN adopt?

[Ortega] We are working on a series of initiatives. We are making a series of contacts, which we do not want to announce now to avoid creating false expectations. We want to contribute to a resolution of this crisis.

[Reporter] [words indistinct]

[Ortega] I say it is the Nicaraguan people who will speak in the end.

[Reporter] Commander, you said you have asked the international community and the OAS to urge the United States to lift the blockade and normalize its aid to Nicaragua. Did the OAS, represented by Secretary General Joao Baena Soares, today express any intention of conveying your message to the Clinton administration, or did it only acknowledge your request? My other question is this: What will happen if UNO definitely decides not to participate in the tripartite dialogue?

[Ortega] We presented our request to the representatives of the Central American presidents and the OAS secretary general. Logically, they heard our request. We are sure that at this time the international community, in Latin America and in Europe, is worried about the consequences of a blockade preventing Nicaragua from having access to funds from international organizations and directly from the U.S. Government. We believe conditions are present to create a favorable opinion in the U.S. Congress and within the U.S. Government.

As for the national dialogue with UNO, we believe we must keep on working. We cannot give up our efforts toward a national dialogue.

[Reporter] In view of the upcoming vote in the U.S. Congress, what will be your deadline to UNO to take part in the national dialogue?

[Ortega] I believe the worst and most dangerous action UNO leaders could do against Nicaragua and the Nicaraguan people would be to say: We will not participate in the dialogue, because if we do, funds will not be blocked and aid for Nicaragua will be approved. I believe this would be a violation of the Nicaraguan people's human rights. They could be betting on this by not attending the dialogue, the fact that the funds will not be released. They could be using this as a means of pressure. This would be totally unacceptable for the Nicaraguan people. We would expect UNO's leaders, and, moreover, we urge them, to clearly state their position before the Nicaraguan people and the international community, rejecting a blockade of funds in favor of disseminating those funds within Nicaragua. I believe UNO should leave no doubts at this time, right now. Otherwise, should the funds be blocked, UNO could be blamed for it. I believe the Nicaraguan people would never forgive UNO for this. We demand a clear statement from UNO saying it favors the approval of these funds. I believe this would eliminate any suspicions about UNO's leaders.

[Reporter] [words indistinct]

[Ortega] I believe the Nicaraguan people's opinion should be taken into account. People are in favor of the dialogue. I believe it would be premature to say that the dialogue will not take place. We must wait.

[Reporter] After the announcement concerning General Ortega's discharge and the incident that occurred on the same day, how are relations between the government and the FSLN?

[Ortega] This is something that happened on 2 September. We are here to attend the national dialogue. We have presented our views; we heard the president's views; we heard from the foreign ministers; and we will keep working in favor of the national dialogue.

[Reporter] Commander Ortega, Engineer Cesar yesterday said that one of the main factors that would prompt them to participate in the great dialogue would be the inclusion of the property problem in the discussion. He said the FSLN was 100 percent responsible for this problem. If the great tripartite dialogue were to be initiated in the upcoming days, what would the FSLN's position be in this regard?

[Ortega] We must discuss the property problem. Moreover, we are interested in addressing this problem, because we want to resolve it once and for all. As long as the property problem is alive, instability will be generated in our country. UNO is interested in resolving this property, and so are the government and the FSLN. The obvious thing to do is to sit down and discuss ways to resolve the property issue and give stability to Nicaraguans.

[Reporter] [words indistinct]

[Ortega] We want a national dialogue. We do not want to focus on the past. We want to look to the future. This is what we want.

[Reporter] [words indistinct] government reach an agreement with UNO?

[Ortega] We think the tripartite dialogue is a dialogue that must be [word indistinct]. I think we must promote the tripartite dialogue. This does not rule out contacts and meetings between the FSLN and UNO.

[Reporter] Former President Ortega, one more question: The National Assembly president revealed a Center Bloc proposal made to the foreign ministers, calling for UNO to be included in the National Assembly [as heard], and that a commission be established there to allow UNO, the FSLN, and the Center Bloc to work together to resolve their problems. He wants the Center Bloc included in the tripartite dialogue. What is your opinion?

[Ortega] I think it would be natural for the Center Bloc to participate in the national dialogue, because a parliamentary bloc should not be overlooked by anyone. This is not new in parliamentary life. For example, in Germany a very small parliamentary bloc of the Liberal Party led by Mr. Genscher, who served as foreign minister on (?two) occasions, played an important role for a long time, and I think it is still doing so. It did so while working amid two major parties, the Social Democrats and the Christian Democrats. This parliamentary bloc, which was at one time associated with the Green Party, has played a major role because it has been a determining factor during votes. It has been taken into account by the large parliamentary groups that do not have enough votes to approve certain laws on their own.

Therefore, we must accept reality. The parliamentary bloc of the Center Bloc is a reality. As a result, it would be ideal for it to participate in this dialogue.

[Reporter] [words indistinct]

[Ortega] I think that if they are determined to participate in the dialogue and negotiations, the conditions are present in this country to start such a dialogue. We must, however, be concerned, because they were not here today, even though they had proposed this date. They proposed changing the date because, as you might recall, this meeting was scheduled for last week. Some said no, the meeting should take place at 1000 on 6 September. It is 1700 on 6 September and they still have not arrived.

This, I think, takes away credibility from the UNO leadership, because they should have stated their position clearly by saying we do not want a dialogue. It is better to be clear [words indistinct] and then see what other solutions can be found. It is irresponsible, however, to act like this, because they are playing with the Nicaraguan people, who are the victims of hunger and unemployment.

What about what is happening to the people? They do not care. They are seeking a particular amount of power, and they are not thinking about solving the problems faced by those who do not have food or jobs, or about those who lack financing to produce. These are the things that concern the people, things that concern the great majority of Nicaraguans. Therefore, I think the UNO leadership's attitude is irresponsible. Their attitude constitutes a slap in the face to the Nicaraguan people. They are deceiving the Nicaraguan people and international observers. I think it is better for them to be clear. They should be consistent. If they think there should be no tripartite dialogue, they should say so, and we will try to find alternatives. Thank you.

OAS Chief Arrives, Encourages National Dialogue

PA0609223693 Panama City ACAN in Spanish 2045 GMT 6 Sep 93

[Text] Managua, 6 Sep (ACAN-EFE)—OAS Secretary General Joao Baena Soares, who arrived in Managua on 6 September, says the solution to Nicaragua's political problems remains in the hands of Nicaraguans. Baena Soares was accompanied by Hugo de Zela, his cabinet

chief, and advisers Ricardo Gjivoje and Santiago Murray. He was received at the Sandino International Airport in Managua by Nicaraguan Foreign Minister Ernesto Leal.

"I am here to do everything I can to help, and I will respect the Nicaraguan people's will," Baena Soares said in a statement to the press. Baena Soares will meet on 6 September with leaders of the National Opposition Union (UNO) to try to convince them to cooperate in instituting a national dialogue called by President Violeta Chamorro.

"I believe dialogue is the solution to the problems affecting our countries," stressed Baena Soares, who heads a commission of Latin American jurists, who will review some of the conflicts affecting Nicaragua. Three jurists, Antonio Gomez Robledo of Mexico, Antonio Cansado Trinidad of Brazil, and Eduardo Ferrero of Peru, will arrive in Nicaragua on 7 September, official sources reported.

The Nicaraguan Government asked the OAS to send a commission of jurists headed by Baena Soares to contribute to the analysis of the conflict in the National Assembly from September 1992 to January 1993, as well as other conflicts related to the dismissal of Comptroller General Guillermo Potoy. One of the demands presented by UNO at the bilateral dialogue with the government is that Potoy, leader of the Social Democratic Party, be reinstated.

Authorities Discover Large Guatemalan Rebel Arsenal

PA0509003293 Managua Radio Nicaragua Network in Spanish 2204 GMT 4 Sep 93

[Text] Deputy Government Minister Frank Cesar Reyes announced this afternoon during a news conference that authorities have discovered an arsenal along Sur Highway. The arsenal belonged to the Guatemalan National Revolutionary Unity [URNG].

According to preliminary reports by Nicaraguan authorities, this arsenal is larger than the one that exploded in Managua's Santa Rosa neighborhood in the early morning of 23 May. Two Guatemalans are under arrest, one of whom has Nicaraguan citizenship.

The deputy government minister reported that the arsenal was located near the 3.5-kilometer marker on Sur Highway, some 400 meters down in the Ticomo Valley. Cesar Reyes noted that President Violeta Chamorro has informed Guatemalan President Ramiro de Leon Carpio about the discovery. So far, Nicaraguan authorities have not found an URNG leader to explain the existence of this arsenal. Here is what Deputy Minister Cesar Reyes said:

[Begin Reyes recording] This was a wooden house next to [words indistinct] that was occupied by two Guatemalan-born citizens by the names of Nora Leyva Narciso and Walter Orozco Fernandez. Mrs. Leyva Narciso is a Guatemalan citizen and has a Guatemalan passport. Mr. Orozco was born in Guatemala and has Nicaraguan citizenship.

The authorities have found a number of URNG documents and reports. In the shelter we found an antenna and broadcasting equipment. With the use of this equipment, there was direct communication with Guatemala and possibly with other countries as well. We seized code books, which we are investigating. We are trying to decipher some of the coded messages. There was a computer linked to the communications equipment. This computer served to register all the messages that were received from Guatemala, according to what these people have already said.

We have determined that this arsenal is one of the largest ever found in our country. It consists of the following: Six RPG-7 launchers; 11 M-60 machine guns; one PKM machine gun; one [word indistinct] rifle; seven Galil rifles; 235 M16 rifles; five G3 rifles; 10 FAL rifles; 42 16-25 submachine guns; three M79 grenade launchers; a grip for shooting; not a missile grip, this has not been totally identified by the members of the Army, 267 AK rifles; 10 M44 rifles; 10 RPK machine guns; one RPD machine gun; one AGS-17 grenade launchers; five 57-mm mortars; one 23-2 antiaircraft machine gun; eight antipersonnel mines; 60 detonating primers; six RDG grenades; five parts for AK-200 rifles; 100 electornic primers; one 14.5 battery for mines; 150 grenade fuzes; six 120-mm mortar grenades; seven spare cannon for PKM machine guns; one BZ-40 machine gun; two mortar shells; 200 AK cartriges; 400 clips; 25,000 rounds of ammunition; 60 rifle oilers; five [word indistinct]; 1,620 rounds for 50-caliber machine guns; 5,750 rounds for 30-mm machine guns; 157 EG7 grenades; 11 sets of propulsion gear for RPG-7 launchers; 16 LAW's [light antitank weapons]; 310 kg of TNT; 124 propulsion loads for RPG-7; 165 F1 grenades; 36 ADG5 grenades; 26,400 5.66-mm rounds; 10,800 7.65-mm rounds; 25 [word indistinct] with clips; 573,600 7.62-caliber rounds for AK's; 126 boxes of 14.5- caliber ammunition; 22 grenades for 60-mm mortars; 22 ammuntion belts for 30-mm machine guns; and 264,920 rounds for 5.181-caliber M16 rifles.

This arsenal could be the largest arsenal ever found in Nicaragua. [end recording]

Chamorro To Ask OAS To Help Resolve Economic Problems

PA0709041793 Panama City ACAN in Spanish 0355 GMT 7 Sep 93

[Text] Managua, 6 Sep (ACAN-EFE)—Today, Nicaraguan President Violeta Chamorro announced she will ask the OAS to seek solutions to the serious economic problems this Central American country is experiencing. Chamorro brought this topic up before the foreign ministers of the Group of Three [G-3] (Colombia, Mexico,

and Venezuela), who arrived in Managua from Honduras as part of a tour that will continue in El Salvador.

"We give her the warmth of the G-3," Venezuelan Foreign Minister Fernando Ochoa told a news conference after meeting with Chamorro, who briefed them on her country's situation. "The G-3 welcomes this iniative as an essential contribution to the solution of Nicaragua's economic problem," the Venezuelan foreign minister added. He was accompanied by Mexican Foreign Secretary Fernando Solana and Colombian Foreign Minister Noemi Sanin de Rubio. The foreign ministers voiced "deep concern" about the failure of the national dialogue scheduled to begin today. The dialogue failed because of the absence of National Opposition Union leaders.

German Delegation Arrives To Discuss Cooperation

PA0409231293 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 2 Sep 93

[Text] A high-level German delegation has arrived in Managua to discuss cooperation programs to restructure and reinforce the social and economic foundation in 1994.

Intergovernmental negotiations on financial, technical, and scientific cooperation between Germany and Nicaragua started today. Cooperation will come in the form of approximately 75 million German marks to fund a restructuring program that includes housing; potable water systems for Jinotega, Matagalpa, and Corinto; and technical assistance in southern (?neighborhoods).

[Begin unidentified German delegate recording] With this cooperation, we wish to express our appreciation for President Chamorro's policy of democratization and national reconciliation. We believe that pacification and internal stability constitute an important foundation for economic development. We wish to mention that this cooperation is only possible because internal conditions for the efficient implementation of our cooperation have been met. I hope that, as it was announced at the Paris meeting, Nicaragua will resolve its domestic problems. [end recording]

Panama

Spadafora Murder Trial Defendants Declared Innocent

PA0609214393 Panama City ACAN in Spanish 2100 GMT 6 Sep 93

[Text] David (Panama), 6 Sep (ACAN-EFE)—Seven former officers of the defunct Panama Defense Forces were declared innocent today in the trial for the murder of opposition leader Hugo Spadafora in 1985.

Three other officers, including former General Manuel Antonio Noriega, were also accused but not included in this trial, which took place in David, near the Costa Rican border. They are still awaiting a judicial ruling.

Following a 52-day trial, a seven-person jury declared the seven accused innocent. The defendants were Luis Cordoba, Mario del Cid, Agustin de Gracia, Adan Pitti Guerra, Demetrio Rodriguez, Jorge Villa, and Francisco Eliecer Rivera.

Violence Follows Spadafora Verdict

PA0709030593 Panama City Circuito RPC Radio in Spanish 0205 GMT 7 Sep 93

[Report by Abdiel Gutierrez and Manuel de Jesus Bonilla in David, Chiriqui Province—live relay]

[Excerpts] [Gutierrez] As of just few minutes ago, acts of vandalism were still taking place in the area of Cervantes Park in the city of David. The display windows of some stores were broken. These included the Revilla drug store, the Atmosfera store, the El Dorax store, and a finance company located near the Cervantes Park. Riot police have been deployed in the area to control the situation. A number of people have been arrested. [passage omitted]

Manuel de Jesus Bonilla has a report on the injured taken to the regional hospital in David.

[Bonilla] Five people were treated at the regional hospital as a result of the disturbances in the area of the court building. [passage omitted] They were treated at Rafael Hernandez Regional Hospital after demonstrators protested a jury's decision in favor of seven former soldiers, who were tried in connection with the murder of Hugo Spadafora. [passage omitted]

[Gutierrez] [passage omitted] The provincial authorities are considering the possibility of establishing a curfew. This is an unofficial report that has yet to be confirmed. [passage omitted]

Police Disperse Protesters

PA0709013293 Panama City Circuito RPC Television in Spanish 0001 GMT 7 Sep 93

["Last-minute news" from the "RPC Television News" program]

[Text] After more than two-and-a-half hours of clashes between the Public Force and demonstrators in the city of David, police have been able to disperse the people around the court building with tear gas and birdshot.

Meanwhile, a large cordon of police is protecting the hotel housing members of the jury who, on the afternoon of 6 September, declared seven soldiers accused of murdering Dr. Hugo Spadafora innocent.

Demonstrators are confronting police from five directions in the city of David. Meanwhile, the city of Chitre

[Spadafora's hometown], reports that people are gathering at the central park to begin a protest march through the main streets in the capital of Herrera Province.

Prisoner Linked to Plot Against Endara Escapes

PA0509215393 Paris AFP in Spanish 2111 GMT 5 Sep 93

[Text] Panama City, 5 Sep (AFP)—Fernando Castillo, a former Panamanian police sergeant, who was arrested on charges of terrorism five months ago, has managed to evade a security net after escaping from prison in Chiriqui Province, about 450 km west of the capital, a police chief reported 5 September. Santiago Fundora, director of the Panamanian Public Force's National Air Service, called Castillo's escape "frustrating." Fundora warned that authorities will not "think about" Castillo's life if he is caught committing a crime.

Castillo was arrested in late April after being accused of participating in a foiled bomb attack against a convention of the progovernment Arnulfist Party, which was attended by President Guillermo Endara and six of his cabinet ministers. According to authorities, the bomb went off just before it was to be planted, killing the person who carried it, a sergeant trained in antiterrorism.

Endara Says Mistakes Due to 'Political Inexperience'

PA0609170093 Paris AFP in Spanish 1754 GMT 5 Sep 93

[Text] Panama City, 5 Sep (AFP)—On 5 September, Panamanian President Guillermo Endara said that the mistakes made in the past three years of his administration are due to "(political) inexperience and not ill will. When we took over the government, we did not have much experience; therefore, the mistakes are due to inexperience and not ill will," Endara told the press without specifying what mistakes to which he was referring.

Endara took office in December 1989 during the U.S. military invasion that overthrew General Manuel Antonio Noriega, after 21 years of military regime. The opposition Democratic Revolutionary Party (PRD), Noriega's political arm, has said that Endara "is a puppet" of the U.S. Administration and that during his time in office the gap between the rich and the poor has widened.

Regarding the charges of an increase in violence in Panama, marked by recent kidnappings and murders, Endara said that this problem "is not greater" than in other countries, but "we must fight hard" to eradicate it. Crime has increased considerably since the disbanding of Noriega's army. Meanwhile, authorities have admitted that the police lack the resources to confront organized crime.

G-3 Ministers Meet With Endara To Promote Democracy

PA0609162193 Panama City EL PANAMA AMERICA in Spanish 6 Sep 93 p 2A

[Article by Carlos Anel Cordero]

[Text] Colombian Foreign Minister Noemi Sanin has said that the Group of Three [G-3] foreign ministers are seeking to promote and strengthen democracy in Central America through effective economic cooperation and a greater commercial flow between these countries.

On 5 September, Venezuelan Foreign Minister Fernando Ochoa Antich, Mexican Deputy Foreign Secretary Rosario Green, and Colombian Foreign Minister Noemi Sanin met with President Guillermo Endara at the Palace of the Herons in Panama City.

Venezuela, Mexico, and Colombia, countries that form the G-3, met with the Central American presidents in Venezuela in February at which time they signed the Caracas agreement, which establishes the framework for cooperation between the two groups.

The Venezuelan, Mexican, and Colombian foreign ministers began, in Panama, a tour that will last several days and which will take them to all the Central American countries where they will attempt to check on the progress of the cooperation programs between the regional countries and the G-3.

Mexican Deputy Foreign Secretary Rosario Green said that the most effective way to support the newborn democracies in the region is through effective economic aid, and this is what Mexico, Colombia, and Venezuela are attempting to do.

Meanwhile, Venezuelan Foreign Minister Fernando Ochoa Antich said that his government is waiting for Panama's counterproposal for paying the $69-million oil debt. Ochoa Antich explained that in its first proposal Panama requested 25 years to pay off this debt, but this proposal was rejected by Venezuela within the framework of the negotiations between the two countries.

The foreign ministers also expressed their concern for the current situation in Nicaragua and added their governments will make their best efforts to ensure that another armed conflict will not explode there.

Costa Rican President Arrives for Talks With Endara

PA0509165993 Panama City EL PANAMA AMERICA in Spanish 5 Sep 93 p 2A

[Article by Juan Manuel Diaz C.]

[Text] Costa Rican President Rafael Angel Calderon Fournier arrived in Panama City on 4 September for three days of talks with Panamanian President Guillermo Endara. The two presidents will draft a joint strategic plan against the new tariff policy imposed by the European Community (EC).

Upon his arrival at Marcos A. Gelabert Airport in Paitilla, Panama City, Calderon said that it is necessary to confront the banana crisis jointly, and for this reason he will also meet with Honduran President Rafael Leonardo Callejas after he leaves Panama.

The Costa Rican president said that the struggle against the restrictions imposed against the Central American banana exports will significantly affect the economies of the Central American countries and that the struggle will continue until a definite triumph is achieved.

It was learned that Calderon and Endara met the night of 4 September to discuss possible actions to be carried out to lighten the impact of the new tariffs imposed on the bananas grown in the region.

Likewise, when referring to the tense situation experienced by Nicaragua, President Calderon reiterated his unconditional support for Violeta Chamorro and added that the only alternative for Nicaragua is a dialogue that will involve all sectors.

Calderon said that he is very worried about what has happened in Nicaragua due to the fact that, only recently, all sectors had been encouraged to seek a way to attain national unity.

Meanwhile, President Calderon strongly criticized the policy the United States is implementing toward Central America. Calderon said that the United States only remembers the region when it is at war but forgets us when we are at peace, a time during which we can enter its market.

Companies Violating U.S. Cuban Embargo Outlined

PA0309222993 Panama City EL PANAMA AMERICA in Spanish 3 Sep 93

["Hidden Truths" column by Tomas Cabal: "Justice Department Monitoring Panamanian Companies"]

[Text] Cuban and Panamanian companies, which insist on running the U.S. economic blockade against the tyrannical Castro regime, are currently being monitored by the U.S. Justice Department.

Reports from Washington confirm that the Clinton administration is determined to close, once and for all, the "loophole" used by companies to maintain commercial relations with Cuba from the Colon Duty Free Zone.

U.S. agents have provided information, which facilitated the identification of phantom companies operated by members of Cuban intelligence in our country. Interior Ministry and the DGI [General Directorate of Intelligence] officials, by taking advantage of the prevailing trade laws, continue using the Colon Duty Free Zone as a lifesaver.

The so-called "Panama Group" coordinates these transactions and it has become a lifesaver of sorts for the battered Cuban economy. Juan Carlos Galesio, an Argentine reporter and an expert on the subject, says Cuban activity in Panama has been on the rise as a result of the serious deterioration Cuba experienced as the Soviet empire crumbled. Galesio has discovered that Cuban agents have created a whole new group of phantom companies with which they plan to evade the scrutiny of U.S. authorities.

Investigations carried out by Galesio reveal that, by taking advantage of its infrastructure in Panama, the Cuban Government is violating the U.S. embargo right under the gringos' noses.

The Cuban Government's endeavor is supported by Panamanian businessmen and companies that receive dollars from Havana. This money is later deposited through an affiliate of the Banco Nacional de Cuba known as the Banco Financiero Internacional.

The Cubans stay afloat with trade activities estimated at $200 million a year by taking advantage of services provided by Spanish banks, such as the Ibero-America and Bilbao Vizcaya banks. Meanwhile, companies such as Cubana de Aviacion, Corporacion Cimex, and Promociones Acuario manage the shipments that are sent to Cuba by air and sea.

Every week companies such as Trover, Intermar, and Melfi Marine move massive shipments of containers to supply the diplomatic stores and the hotels that appear to be Castro's last hope. Cuban ships such as the Perla, Ostra, Erizo, and Estrella dock in Cristobal port. Cuban agents keep Castro's ailing communist regime alive by working closely with Panamanian businessmen, who argue that they are not concerned about "politics."

Companies such as Importadora Alo, Panotex, Importadora Sunsport, Pick-N-Pay, Lido Internacional, and Casa Bee's maintain commercial transactions with Cuba without realizing that U.S. authorities are on their trail. New legislation, the so-called "Torricelli" law, imposes severe sanctions on countries that violate the U.S. embargo.

Our sources in Washington says the United States plans to sue those Panamanian businessmen and companies that trade with Cuba. If violations of the U.S. embargo are confirmed, these businessmen run the risk of losing their visas to travel to the United States, as well as their privileges to conduct transactions in that country. U.S. officials are very concerned about evidence showing that Colombian drug traffickers are operating in Cuba.

There is strong evidence that the cartels are recycling drug money through investments and hotels in the "Pearl of the Antilles." Because it is possible that the second in command of the Cuban Government might be prosecuted on drug trafficking and money laundering charges, any Panamanian association with this crime would entail a risky situation.

The Miami Prosecutor's Office feels that Raul Castro and 14 other Cuban officials will be indicted some time near the end of 1993, which would greatly complicate the position of Guillermo Endara's democratic government if it is confirmed that Panama is being used as a bridge for illegal activities.

Therefore, we recommend that the national authorities monitor transactions with Cuba closer to avoid being caught in the middle of the bitter dispute between Uncle Sam and the bearded leader of the Caribbean.

Argentina

Menem, Chilean President Issue Joint Declaration

PY0309224193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1548 GMT 3 Sep 93

[Text] Buenos Aires, 3 Sep (NA)—Argentine President Carlos Menem and his Chilean counterpart, Patricio Aylwin, today expressed their firm conviction that the new policy implemented by both countries "faithfully reflects the common perception about the historic destiny they are called to share, which demands friendship, cooperation, and a concerted effort" so that both countries may achieve integration.

In a joint communique signed today at the White Hall of the Presidential Palace, both heads of state underscored the fact that "the consolidation of their democratic regimes of government, with full respect for the individual's rights and freedoms within a framework that promotes economic development with social justice," has been the centerpiece to achieving these objectives.

Noting the "ongoing peace and friendship" existing between both countries, the presidents expressed that 29 November 1994 will mark the tenth anniversary of the signing of the Treaty of Peace and Friendship between both countries. For this they thanked the Holy Father Pope John Paul II.

They also expressed their deep satisfaction with the historic meaning of the decisions included in the joint communique on boundary demarcation in 1991, which "were instrumental in putting to rights and definitely solving all boundary disputes" between Argentina and Chile.

With regard to the two pending issues, which are included in the 1991 joint communique, both heads of state noted their satisfaction with the progress made in the negotiations on the boundary demarcation from boundary stone No. 62 and Mount Fitz Roy, which will be settled by arbitration.

The presidents also voiced their confidence that their respective congresses would ratify the agreement on the boundary demarcation in the area extending from Mt. Fitz Roy and Daudet hill.

With regard to the furthering of bilateral political relations, the Chilean president reiterated his country's support for Argentina's claim over the Malvinas Islands, South Georgia, and the South Sandwich Islands, and their territorial waters.

Aylwin expressed his satisfaction over the "high level" of bilateral relations between Argentina and the United Kingdom, and his conviction that the consolidation of these relations will contribute to the settlement of their controversy in the South Atlantic.

Concerning both countries' geographical integration, both presidents remarked on the progress made on this subject and on the current situation concerning issues pertaining to bilateral relations.

Menem and Aylwin renewed their staunch support for the principle of freedom in international trade, which constitutes the cornerstone for an economic development based on social justice and equity.

The strides made in the energy integration of both countries merited special acknowledgement by both presidents, who underlined the importance of the construction of an oil pipeline to link Puesto Hernandez and the city of Concepcion, and the completion of the first stage of a project on joint oil prospecting and exploitation of the area due east of the Magellan Straits.

The presidents expressed satisfaction for the "interest shown by businessmen" over the upcoming construction of the gas pipeline from the Neuquen basin to the Chilean central zone starting in 1995.

President Aylwin also expressed to President Menem his recognition for extending enforcement of the immigration regularization decree, which has allowed many Chileans "to enjoy the benefits of that regulation."

The two presidents also especially valued efforts toward the integration of tourism, and praised the conclusion of the multinational project for the development of tourism in the Argentine northwest and the Chilean Norte Grande region.

Regarding the international situation, Menem and Aylwin reiterated their full support for the Rio Group, and pointed out that the agreements on Mercosur [Common Market of the South] "open new possibilities" for Latin American integration.

They concluded the communique by reaffirming their position not to develop, produce, or buy directly or indirectly chemical or bilogical weapons.

Defense Minister 'Dissatisfied' With Skyhawk Deal

PY0409000493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1554 GMT 3 Sep 93

[Text] Buenos Aires, 3 Sep (NA)—Defense Minister Oscar Camilion has admitted that the sale of Skyhawk A-4M planes without the sophisticated radars that had been agreed upon has made Argentina declare its "dissatisfaction" over the results of the operation.

The foreign and defense ministries jointly notified the U.S. Embassy of the Argentine position.

The defense minister said that the Skyhawk planes are wanted "to train pilots in the minimum of technical requirements at the end of this century, with the additional equipment," adding that the government "is dissatisfied" with the situation, and that the U.S. Embassy has been notified of this.

In statements to several morning newspapers Camilion said that there are no hypotheses for conflict in the

region, noting, however, that the countries of the zone "should still take precautions to cover eventual risks, and the best precaution is to maintain a reasonable power balance."

Concerning the Falda del Carmen plant, which housed Condor-2 project facilities, Camilion admitted that it has some similarities with two projects built in Egypt and Iraq.

"It is also true that Argentina exported to Egypt some components for missile motors, but this is very far from colluding with Iraq in the first Gulf war," he said.

Camilion said that the state secrecy affecting Condor-2 had been totally lifted, adding that a journalistic visit to the Falda del Carmen plant is being organized "two weeks from now."

In turn, he reiterated his demands over the budget shortage for the sector, saying that he understands "the problems outlined" by Economy Minister Domingo Cavallo, and that he would also like "the defense sector problems to be understood."

He explained that the demands are not only for the military sector, but also for 95 percent of the civilian personnel working at the ministry and earning less than $400 monthly.

"The technicians who maintain the helicopter in which President Carlos Menem has begun flying earn a net salary of approximately 300 pesos. We are not planning to make investments. The main objective is to maintain what we have," he said.

BB, BNA Sign Cooperation Agreement

PY0609151793 Buenos Aires CLARIN in Spanish 5 Sep 93 p 24

[Text] In Foz de Iguazu, the Bank of Brazil (BB) and the Argentine National Bank (BNA) have signed a cooperation agreement that will allow joint actions to facilitate integration into the Common Market of the South [Mercosur].

The agreement signed by BB President Alcir Calliari and BNA President Aldo Antonio Dadone marks the beginning of bilateral activities between the two institutions with the formation of eight working groups in various areas. These groups will review the possibility of establishing credit lines and using reciprocal bank networks in the four Mercosur member countries (Argentina, Brazil, Paraguay, and Uruguay).

Calliari announced a short-term—180 days—$50-million credit line to finance trade, imports and exports, operations between Brazilian companies and their counterparts established in the Mercosur countries.

Calliari guaranteed: "Loans through the BB branch offices will become immediately operational."

Bolivia

President Sanchez de Lozada Appoints New Officials

PY0709034293 La Paz LA RAZON in Spanish 29 Aug 93 p A2

[Text] According to an official report, President Gonzalo Sanchez de Lozada has appointed a total of 76 new national and departmental officials in 22 days of government.

According to the list the MNR [Nationalist Revolutionary Movement] appointed 10 ministers, 32 under secretaries, nine departmental prefects, and 25 state company officials, including the development corporations.

The list of Sanchez de Lozada's appointed officials is as follows:

Foreign Affairs and Worship Ministry: Minister Antonio Aranibar Quiroga; and International Economy Under Secretary Jorge Gumucio Granier.

Interior Ministry: Minister German Quiroga Gomez; Social Defense Under Secretary Luis Enrique Soria; and Interior Under Secretary Hugo San Martin.

National Defense Ministry: Minister Antonio Cespedes Toro; Navy Under Secretary Waldo Nava; and Military Aeronautics Under Secretary General Carlos Montero.

Ministry of the Presidency: Minister Carlos Sanchez Berzain; and Jorge Otasevic Toledo, political and congressional under secretary.

Economic Development and Planning Ministry: Minister Fernando Illanes; General Under Secretary Johnny Nogales; Fernando Prado, social and economic development under secretary; Public Investment Under Secretary Miguel Taborga; General Finances Under Secretary Fernando A. Cossio; Foreign Financing Under Secretary Marcelo Mendez; Tax Policy Under Secretary Antonio Soruco; Gonzalo Acha, fiscal and budgetary policy under secretary; Pablo Zabaleta, state general accounting under secretary; National Treasury Director Edgar Saravia (with the rank of under secretary); Adviser General Jose Luis Galindo; Alfonso Revollo, transport and communications under secretary; Jaime Villalobos, mining and metallurgy under secretary; Agriculture Development Under Secretary Edgar Talavera; and Energy Under Secretary Carlos Miranda.

Human Development Ministry: Minister Fernando Romero; Enrique Ipina Melgar, education and culture under secretary; General Health Under Secretary Joaquin Monasterios; Urban Affairs Under Secretary Jorge Lorini; and General Sports Under Secretary Rolando Aguilera.

Labor and Labor Development Ministry: Minister Reynaldo Peters Arzabe; Labor Under Secretary Victor A.

Vargas; Labor Development Under Secretary Huascar Montenegro; and Cooperatives Under Secretary Jorge Espana Schmidt.

Information Ministry: Minister Hermann Antelo; and Information Under Secretary Anibal Revollo.

Justice Ministry: Minister Carlos Morales Guillen; Justice Under Secretary Hugo E. Urquieta; and Human Rights Under Secretary Johnny F. Morato.

Sustainable Development and Environment Ministry: Minister Guillermo Justiniano; Jaime Munoz Reyes, international cooperation and promotion under secretary; and Alfonso Kreidler, strategies and standards under secretary.

Prefects

La Paz: Alfredo Franco Guachalla; Chuquisaca: Oscar Montalvo Gallardo; Cochabamba: Eduardo Perez Beltran; Santa Cruz: Julio Leigue Hurtado; Oruro: Franz Claros Torrez; Tarija: Gustavo Ugarte Ruiz; Potosi: Efrain Negron Torrez; Beni: Hernan Velarde Anez; and Pando: Raul Mendez Jordan.

Development Corporation Presidents

La Paz: Oscar Arrien Sandoval; Chuquisaca: Franz Barrios Villegas; Cochabamba: Juan Carlos Orsini; Santa Cruz: Freddy Teodovic Ortiz; Oruro: Marcelo Arzas Vasquez; Tarija: Mario Kissen Brieger; Potosi: Mario Espinoza Martinez; Beni: Hans Schlick Monasterio; and Pando: Ignacio Salvatierra.

Organizations, Enterprises, and Institutions

Customs General Director Gloria Sanchez de Barrientos; Internal Tax General Director Maria Luisa Urday; Fernando Candia Castillo, Bolivian Central Bank interim chairman; and Bolivian Central Bank board of directors: Juan Antonio Morales, Ramiro Cabezas, Fernando Aguirre Bastos, Juan Medinacelli Valencia, and Julio Enrique Montano Nogales.

State Bank Interim President Ramiro Alvarez Ruiz; National Health Fund President Oscar Sandoval Moron; Lieselotte Bauer de Barragan, National Organization for Family and Women president; Fernando Arteaga Requena, Misicuni Company board of directors president; Single National Registry Director Marcelo Penaranda Bocangel; National Television Company Manager Miguel Montero Vaca; and Jorge Mauricio Gonzalez Sfeir, Bolivian Government Oil Deposits president.

Negotiations With Chile in Mining Area Resumed

PY0609190493 La Paz PRESENCIA in Spanish 28 Aug 93 p 7

[Excerpt] (Fides News Agency)—Foreign Minister Antonio Aranibar has officially reported that negotiations between Bolivia and Chile on the handling and storage of Bolivian minerals in the ports of Antofasta and Arica were resumed on 27 August in the Chilean city of Arica.

The meetings were abruptly suspended on 22 July following the harsh remarks made by the former president of the Republic, Jaime Paz Zamora, who described Chile as a "backward and stone-age" country over its traditional position of opposing Bolivia's sea outlet claim.

According to a Foreign Ministry communique, a Joint Technical Group [Grupo Tecnico Mixto], headed by Bolivian Foreign Under Secretary Jorge Gumucio Granier and Chilean Foreign Under Secretary Rodrigo Diaz, will review all the issues concerning the storage of minerals in the ports of Arica and Antofagasta.

Bolivian-Chilean negotiations will conclude today and, if an agreement is reached, another meeting will be held in our country. [passage omitted]

Patriotic Accord Left National Treasury Empty

PY0309131993 La Paz Radio Fides Network in Spanish 1100 GMT 3 Sep 93

[Text] Executive Branch officials said that in the first months of the year the Patriotic Accord administration spent all the money that was budgeted. Because of this, it will be necessary to make readjustments in tax collection proceedings.

Information Minister Herman Antelo said that in view of an empty Treasury, the administration has no other alternative than to exert pressure on those who owe taxes. Moreover, the government will have to be very austere in government spending:

[Begin recording] The president called a cabinet meeting so it could be briefed by the economic team on the current economic situation. In sum, it was reported that in the first seven months of the year, the previous administration spent virtually all the money budgeted for the entire year. Moreover, there are instances in which some ministries, like the Interior, Defense, and Information Ministries, spent more than what was allocated to them.

In view of this, the president explained that measures will have to be adopted to exert more pressure to increase tax collection and force those who owe back taxes to pay them. [end recording]

Draft Ministries Bill Summarized

PY0409030393 La Paz LA RAZON in Spanish 24 Aug 93 p A3

[Text] Attached to a presidential message, the government of President Gonzalo Sanchez de Lozada yesterday finally submitted to the Legislative Branch the draft Ministries Bill.

In his message, the president notes: "This is the first bill submitted by a debureaucratized Executive Branch that

is sensitive to social demands, and that is capable of overcoming the stagnation and prostration that has characterized the Bolivian public sector for decades."

According to Sanchez de Lozada the bill was drafted in the belief that the country requires an "efficient, effective, and economic" tool to execute and make viable the process of change required by society.

On this basis, the bill prioritizes social areas encompassed in the government program, ecology, and the safeguarding of the environment, and galvanizing the economy.

In view of this it is expected that the economy will generate the resources required to meet the true and everyday needs of Bolivians.

In the hope that Congress will support the executive branch bill, the president states: "As has already been stated in the presidential message of 6 August, it is our intention that the economy will serve the individual, and not merely improve statistics."

The following is a summary of the the draft Ministries Bill submitted by the Executive Branch.

Chapter 1: General Provisions

Public administration business is taken care of by cabinet members who are personally responsible, in conjunction with the president, for the adminsitration's activities, and are jointly responsible for the provisions issued by the president that are previously approved by the cabinet.

Chapter 2: About the Cabinet

The cabinet is made up of the following:

1. The foreign relations and worship minister.
2. The minister of government.
3. The national defense minister.
4. The minister of the presidency.
5. The minister of justice.
6. The minister of finance and economic development.
7. The human development minister.
8. The minister for sustainable development.
9. The labor minister.
10. The social communications minister.

The president will be able to appoint, within the proper constitutional term, up to two ministers without portfolio, and their tasks will be specified through presidential decrees.

The hierarchical order in each ministry is as follows:

1. Minister of State
2. National Secretary
3. Under Secretary

—The ministers of state are empowered: to propose to the president strategies that are compatible with national objectives and to implement them; to submit programs corresponding to their areas of action; to establish systems for the hiring of personnel for their ministries; and to manage the financial and cooperation areas of their respective activities.

—The national secretaries are appointed through a supreme government resolution. Their duties are: to propose specific policies to the ministers of state; to draft, implement, and control approved policies; to issue pertinent resolutions; and to inform the ministers of state about issues brought to their knowledge.

—The under secretaries are appointed through a resolution issued by the respective ministry and the national secretary. They carry out specific technical duties as specified in the corresponding resolution.

—If a minister is absent or incapacitated from performing his duties, the president will appoint another cabinet member or a national secretary as acting minister.

Foreign Relations Minister

—It is the competence of the foreign relations and worship minister to execute the nation's foreign policy, and specifically:

A. To participate in the negotiations and signing of treaties, agreements and accords.

B. To represent the country in international events.

C. To promote the country's image abroad.

D. To implement measures aimed at helping Bolivia achieve a greater insertion into the international scene.

E. To safeguard Bolivian interests and Bolivian citizens abroad, and to defend national interests in international controversies.

G. To Mantain Ties With Religious Sects. [as published]

Minister of Government

—The competence of the minister of government is everything pertaining to the domestic order, particularly:

A. To design and implement government and domestic security policies.

B. To safeguard peace and social order.

C. To coordinate activities with other security organizations.

D. To manage the penal system.

E. To issue regulations on migrations.

F. To exercise the attributions bestowed upon him by the law regarding activities carried out by the central government with regard to departmental governments.

G. To adopt measures to combat crime.

H. To lead the police force.

National Defense Minister

—It is the competence of the national defense minister to implement defense policy, and particularly:

A. To inform the Armed Forces of administrative measures issued by the president.

B. To plan civil defense actions.

C. To uphold military discipline and justice.

D. To conduct activities aimed at safeguarding the environment.

E. To promote Armed Forces participation in development-related activities.

Minister of the Presidency

—It is the competence of the minister of the presidency to assist the president in everything pertaining to the management of the presidency, particularly:

A. To be the chief of the civilian household.

B. To be the coordinator between the presidency, the Legislative Branch, and the cabinet.

C. To be the cabinet secretary.

D. To ascertain the juridical validity of draft bills, decrees, and resolutions.

E. To maintain the state files and see after the publication of promulgated laws.

Minister of Justice

—It is the competence of the justice miniter to conduct activities in everything pertaining to ties between the executive and Judicial Branches, and upholding the rights of people, particularly:

A. The implementation of the national policy for the defense of human rights.

B. To report citizens' rights and promote the efficiency of the Executive Branch legal services.

C. To propose measures to combat corruption and impunity.

Minister of Finance and Economic Development

—It is the competence of the finance and economic development minister to promote activities aimed at developing the economy and public finances, particularly:

A. To implement and control economic and fiscal policies, public debts, and participate in the drafting of the monetary and financial policies.

B. To establish the needs for foreign financing, and contract specific credits.

D. [as published] To order the drafting of the national budget.

E. To act as comptroller of administrative systems.

F. To safeguard and implement a development policy in the energy and hydrocarbons sector; the agriculture sector; the mining-metallurgy sector; the industrial sector; to promote physical integration and the issuance of regulations for contracting and establishing a transportation and communications network, including the exploitation of railroad, airport, navigation, postal, and telecommunication services; and the promotion of tourism.

G. To implement a patents law.

H. To implement and oversee an exports development policy.

I. To implement policies for public companies and long-term social security.

Human Development Minister

—It is the competence of the minister for human development to act in all matters related to the well-being of people, and especially:

A. To implement and supervise the sectorial policies in the social area.

B. To promote special programs for the education of people.

C. To implement educational, health, and rural and urban development policies and programs.

D. To promote professional and labor training.

E. To establish social security policies.

F. To promote culture and sports.

Minister for Sustainable Development

—It is the competence of the minister for sustainable development to act in all matter related to the harmonic development of the country, and especially:

A. To propose to the president the strategy for sustainable development.

B. To promote the research of appropriate technology, and evaluate the use of natural resources.

C. To manage water, air, and earth resources.

D. To establish rules regarding the environmental impact to which investment programs must adjust.

E. To apply incentives to the economic agents that protect the environment.

Labor Minister

—It is the competence of the labor minister to act in all matters related to the relations of the workers, and especially:

A. To propose, implement, and supervise labor policies.

B. To watch over the application and fulfillment of the General Labor Law.

C. To study the process of labor migration.

D. To support the better organization of the labor market.

E. To promote the organization of cooperatives and associations, and draw policies for job security.

Social Communications Minister

—It is the competence of the social communications minister to act in all matters related to the dissemination of government actions, and especially:

A. To develop a system to order sytematically social and public demands.

B. To manage interministerial communications.

C. To promote the dissemination of the country's image.

D. To plan and implement the policy of relations of the executive power with the media.

Chapter 3: Incompatibilities

It is incompatible with the position of minister, national secretary, or under secretary to hold executive positions or be a trustee or official of private companies or of union or civic organizations. It is also imcompatible with these positions to work in their professions for money, either independently or in an associate status.

In addition the ministers, national secretaries, and under secretaries will not be able to exert influence in trials or carry out activities in which their position as public official could compromise the decision of a competent authority.

Brazil

Army Minister To Propose Bartering to Russia

PY0509035493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 93 p 8

[Article by Mara Bergamaschi]

[Text] Brasilia—The Brazilian Army will propose to Russia the bartering of grain for military equipment. Army Minister Zenildo Zoroastro de Lucena's trip to Moscow has been scheduled for 8 September with the goal of beginning the negotiations. In exchange for short-range missiles, tanks, and even gas masks, the Army will offer part of the food production stockpiled by the Agriculture Ministry in Brazil. The proposal has been kept secret by the military.

The Army's project, which might total billions of dollars, is not limited to Russia. High-ranking officers are scheduled to travel to the PRC and other eastern European countries where there are shortages of grain and surpluses of war materiel. The Army's efforts to reequip itself agree with a strategy implemented last month by the National Defense Council to expand the surveillance of the Amazon region's air space, and protect it against what the military have described as the "risk of internationalization."

According to Army leaders, Russia and various eastern European republics are interested in transferring to Brazil their surpluses of war materiel at one-tenth of the current international market prices. According to Army officers, these countries are interested in the idea of bartering food for arms because most of them are besieged by an overwhelming economic recession that established itself in the region after the fall of the Berlin Wall and the collapse of the former socialist regimes. What abounds in Brazil—food—is scarce in eastern Europe, and vice versa, the military say.

The Army is not afraid of acquiring obsolete technology. A general said: "Russian equipment is not as sophisticated as U.S. equipment, but it is years ahead of our own equipment." He added: "We are still in World War II." According to surveys conducted by the Army, today's main demand includes missiles and tanks. About 50,000 gas masks might also be purchased, for example, from the Czech Republic and from Slovakia.

The Army's idea of using the Agriculture Ministry's buffer stocks for its own benefit will certainly prompt controversies. The government has already announced that it intends to distribute 150,000 metric tons of food through a program to combat hunger. The Army leadership claims that the project will not hurt the supplies for the needy segments of population. "Stocks are enough for both projects," an officer notes.

Discussing the extremely poor storage conditions of the National Supply Company's (Conab) stocks, another general challenged: "Why not use these food reserves,

instead of letting them rot at the warehouses?" Although Minister Zenildo Zoroastro's trip to Moscow has already been scheduled, the military noted that President Itamar Franco will have the last word on the negotiations.

Finance Minister Comments on Court Decision on Tax

PY0409173993 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 4 Sep 93

[Text] Finance Minister Fernando Henrique Cardoso said this morning in Brasilia that if the courts cancel the IPMF [provisional tax on financial operations], the government will have to create another tax:

[Begin recording] I believe such a strong campaign against the IPMF—even though I also dislike this tax—is strange. I believe the IPMF will end up discovering things that no one would like discovered. We are waiting for the Supreme Court's answer, which will establish whether the tax is constitutional. If it is constitutional, the tax will continue to be collected. If not, in that case, for God's sake, we will have to invent another tax, and I wouldn't like to do that. But I will have no choice because the Treasury has no funds. [end recording]

Chile

President Aylwin Returns From Buenos Aires

PY0309192993 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 3 Sep 93

[Text] Without making any statements about his decision to withdraw the bill expediting trials on human rights violations, President Patricio Aylwin returned to Chile. He returned from Buenos Aires after remaining there for a little less than 24 hours.

President Aylwin did not make any statements in the international airport despite the media's persistence. Journalists especially wanted to hear his opinion regarding the reactions generated on the national scene by his decision to withdraw the bill on expediting trials on human rights violations.

Without speaking about the subject, the president left for Cerro Castillo in Vina del Mar.

Politicians React to Aylwin's Withdrawal of Bill

PY0309123593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 3 Sep 93

[Excerpts] An announcement that will bring important political repercussions was made today. The government withdrew the bill on expediting the trials of human rights violations. The decision was made because the Coalition of Parties for Democracy [CPPD] was not able to reach an agreement to approve the bill in the Senate. [passage omitted]

The presidential candidates for the CPPD and the right had different position with regard to President Patricio Aylwin's decision to withdraw the bill.

[Begin recording] [CPPD presidential candidate Eduardo Frei] As I said, this is an issue that affects us and on which we will have to continue working. If I happen to become president I will have to face it with the same courage as President Aylwin. I do not believe this is a defeat for the president; I would rather say that this is a step back for the country because we will not be able to make great progress in solving this problem.

[Rightist presidential candidate Arturo Alessandri] I find this regrettable because the president's arm was twisted; the influence of a sector of the CPPD that is against the bill can be seen. Obviously this sector does not want this issue to be discussed for electoral reasons.

[Unidentified reporter] Would you label this a defeat for the president?

[Alessandri] I would rather say this is a slip, and it is regrettable because he had good intentions and was not allowed to do what he wanted. Therefore, he had to give in to political pressure. [end recording]

Congressmen and political leaders from the government and the opposition also reacted to this announcement.

[Begin recording] [National Renewal Senator Sergio Diez] This is failure for the president; it is a political failure. The president personally studied and evaluated this issue. He presented it to the country and proposed a draft law to facilitate national reconciliation. The draft law was not approved because the CPPD did not support the bill, and the president preferred the unity of the coalition rather than continuing his effort to seek national reconciliation through this path.

[Designated Senator Sergio Fernandez] We are in the presence of a very important political event because it is a political defeat that occurs at the end of Aylwin's presidential term. This also shows the cracks and fragility of a coalition that I would say appears today more like a simple electoral alliance rather than a government alliance.

[Socialist Party President German Correa] The president made an effort that was difficult to achieve, that was impossible to achieve. No one can say this is a fall into a vacuum or nondefinition regarding this issue because this problem is where it should be, in the hands of justice in this country, which will have to continue with the current trials.

[Christian Democratic Party Deputy Gutemberg Martinez] The issues of human rights and civic-military relations are a process that naturally extends past the short presidential term of Patricio Aylwin. Therefore, part of this problem will continue to be part of the problems of Chilean society that can only be faced when everyone in Chilean society is willing to assume their responsibilities that a problem of this type implies. [end recording]

The church, the Army, the judiciary, and the relatives of missing people also gave their views on this issue:

[Begin recording] [Supreme Court President Marcos Aburto] The result is obvious; the trials will not get the possible benefits they would have received had the bill been approved.

[Sola Sierra, president of relatives of arrested and missing people organization] It is a great joy because from the first day the president presented the country the bill to expedite the trial of human rights violations, we said it was not the way. And I believe today's announcement shows we were right.

[Army Auditor General Fernando Torres] It is positive because one thing was the origin of this bill, its intention, and quite a different thing was the distortion that occurred through the different opinions and the different reports, both from the committees and from the chamber itself. If you read the bill the way it was sent to the Senate, you will find that it is quite a different bill, with a different inspiration than the original one. [passage omitted] [end recording]

'Sources' Reveal Military Technology Sale to Paraguay

PY0509032993 Madrid EFE in Spanish 1934 GMT 3 Sep 93

[Text] Santiago, 3 Sep (EFE)—Citing military sources, the Santiago newspaper LA EPOCA today reported that the Chilean Army Ordnance (FAMAE) will sell to Paraguay the technology required to establish an ammunition factory in that country.

According to the newspaper, the project will begin with a manufacturing plant for 1.62 caliber ammunition for rifles. Secret negotiations have been held for more than one year between FAMAE and the Paraguayan Military Industries [Industrias Militares Paraguayas], the newspaper reports.

The sources told LA EPOCA that this deal characteristically reflects the new world trend of exporting know-how. The sources said this first operation demonstrates the development achieved by Chile in the field of military industries.

The report was confirmed by Paraguayan Ambassador to Chile Horacio Nogues, who pointed out that his country is in a position of establishing an ammunition plant to supply the Paraguayan Army and establish its own military industry.

The diplomat added that, at any rate, his country does not ignore the world trend of reducing defense budgets. He said that a reduction in the number of generals, currently totalling 40, and a new military law, which contemplates streamlining the military budget, are currently under discussion.

FAMAE's operation represents the second sale of Chilean military equipment to Paraguay, after the Paraguayan Air Force purchased 12 "Pillan" training airplanes manufactured by the Chilean National Aeronautical Enterprise (ENAER).

Colombia

Authorities Seize U.S. Plane Carrying Dynamite

PA0409133193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1228 GMT 4 Sep 93

[From the "Up to the Minute Caracol Newscast"]

[Text] Santa Fe de Bogota—A small U.S airplane forced to land in Simon Bolivar Airport in San Andres due to technical difficulties was found to be carrying three tons of dynamite. Authorities have seized the explosive and arrested the plane's occupants.

The National Police reported here in Santa Fe de Bogota that the C-47 aircraft, license No. N3749, landed at the island's airport to repair a technical failure while en route to Ecuador through Panama, according to the flight plan.

Local police inspected the plane and found three tons of dynamite. Police are currently investigating the origins of the explosive.

Pilot (Herbert Lowaite, Jr.), copilot (Han Jan Hendrick) of Dutch nationality, and (Kim Pellet, Jr.) of Florida, also the president of Airways Company, have been temporarily placed under arrest.

FARC Kills 13 Soldiers in Antioquia Department Ambush

PA0309141693 Santa Fe de Bogota Inravision Television Cadena 1 Spanish 0000 GMT 3 Sep 93

[Text] The Revolutionary Armed Forces of Colombia [FARC] have killed 29 servicemen in less than one week. A new massacre occurred today in Carolina del Principe, Antioquia Department, when two military trucks were attacked with explosives and firearms. A total of 13 soldiers died and three were wounded in an ambush in Mutatai. Here is the report by Juan Ortiz.

[Ortiz] At 0830 this morning, a convoy with 20 men bringing supplies to a northern Antioquia base felt death sneak up on them like a chameleon when two bombs containing over 70 kg of dynamite exploded on the highway, killing 13 young men. The death toll is one lieutenant, two corporals, and 10 soldiers. Wounded as they were, they had to endure the ensuing attack by almost 40 FARC guerrillas. Not content with the ambush and the destruction of supplies, the guerrillas fired point-blank on the dazed soldiers as they cried for help. Afterward, they stripped the soldiers of everything they had, even money. Then everything went quiet.

The first reinforcement arrived four hours later from Guadalupe. Running fast to bridge the distance, they came to

witness the massacre in which nicknames such as El Viejo, El Dragon, and Meneses turned into a nightmare that exuded only air and dispair. Five helicopters brought in 300 men to catch up with the rebels. According to some soldiers, the battalion was slow to react and the reinforcement, too cautious to be effective. And so 13 young men were killed or maimed. One soldier and one driver were wounded. Three soldiers and one NCO are still missing. Four men survived miraculously unhurt.

The 15 soldiers watching over the bodies of their comrades, who at 1700 had still not removed from the site, kept asking: Where are the human rights commissions that the rebels are constantly asking to defend them? Added to this question came the exclamation by a sergeant who wanted this to be dream from which he could wake up tomorrow and see his men telling jokes. Most harmful to the soldiers' morale is the brutality of the subversives who finish off the surviving soldiers by firing into the soldiers' heads.

Guerrillas Seize Weapons of Slain

PA0309142393 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 3 Sep 93

[From the "Up to the Minute Caracol" newscast]

[Text] Medellin—A considerable number of weapons were lost by the soldiers whose convoy was cruelly attacked by members of the 36th Front of the Revolutionary Armed Forces of Colombia [FARC] between Santa Rosa de Osos and Carolina del Principe in northern Antioquia.

An inventory of the lost weapons, which were stolen by the guerrillas from the murdered soldiers, includes 14 high-powered weapons, the most outstanding of which were an M-50 antiaircraft machinegun and a multiple grenade launcher. The soldiers also lost several rifles, including nine G-3's, two Galils and one (?FAL). The guerrillas also blew up two military trucks which were recently purchased by the Armed Forces.

Governor Endorses Use of Force

PA0309152293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 3 Sep 93

[Interview with Antioquia Governor Juan Gomez Martinez by correspondent Jairo Calle in Medellin, with Caracol News Director Dario Arizmendi in Bogota; from the "Up to the Minute Caracol Newscast"—live relay]

[Text] [Calle] Good morning, listeners. Governor Juan Gomez will inform the entire nation of the latest official bulletin on the painful events that have taken place in this department. Good day, Dr. Juan Gomez.

[Gomez] Good morning, Caracol. The official bulletin announces the death of 13 soldiers: one officer, two noncommissioned officers, and 10 [words indistinct] in the Santa Rosa de Osos region. In Mutatao, two soldiers and two civilians were wounded. The situation is regrettable. It should be renounced by the entire country, and together we should rally around the military forces to defend peace.

[Calle] You have defended peace and dialogue. Do you believe dialogue is viable in response to incidents like these?

[Gomez] It is very difficult, but dialogue should never be exhausted and should always be sought. Nevertheless, when things like this happen, it is necessary to respond with force. It is the only solution. I am asking the Army to respond, and I am asking the people to support the Army by reporting and helping out wherever possible, thereby forcing these people to find civilized solutions.

[Arizmendi] Governor Juan Gomez Martinez, you say the Public Force must respond. Is it responding at this time?

[Gomez] [words indistinct] Dario. As you know, on 2 September, they pursued the guerrillas, and I hope they will soon catch them and treat them the same way they treated the Army.

[Arizmendi] There is a great deal of concern over the formidable situation in public order. There are reports to the effect that the guerrillas are virtually on Medellin's border. What is the situation in Antioquia Department, apart from the difficulties you are experiencing in Uraba?

[Gomez] Dario, I would say the guerrillas are also on the borders of several Antioquia cities. Several cities have been besieged by the guerrillas, who have deployed in urban areas. I believe, however, there is an easy way to [words indistinct].

[Arizmendi] Do you have precautionary measures or special protection in place for well-known individuals and businessmen in response to the wave of kidnappings throughout the country?

[Gomez] We are operating as usual. We have not been affected that much. Although regrettable, the situation can be described as normal. At any rate, public forces are guarding and protecting citizens who have received threats. I hope this will be effective.

[Arizmendi] Governor Juan Gomez, I get the impression the guerrillas have gotten stronger.

[Gomez] I do not believe so, Dario. They are being pursued, and they are hiding. They may be frightening residents, but they remain the same.

[Arizmendi] How has the public reacted to this attack, Mr. Governor?

[Gomez] The public has displayed disapproval, repudiation, and support for the military forces and the national government. Fortunately, I believe the incident

has proven counterproductive for these stateless individuals who do not love this country.

Defense Minister Discusses Slaying

PA0309213993 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1730 GMT 3 Sep 93

[Interview with Defense Minister Rafael Pardo by unidentified reporter in Santa Fe de Bogota from the "National Newscast"; date not given—recorded]

[Text] [Reporter] Minister, will the government declare war on the guerrillas for this massacre of soldiers in Antioquia on 2 September?

[Pardo] The government has implemented a comprehensive policy to restore public order. These kinds of actions seek, through pain and blood, to frustrate the government and society's efforts to isolate violent people.

[Reporter] What will the government's position be in view of these developments?

[Pardo] To continue our policy of restoring public order. We want Colombians to show solidarity with the authorities, because without this, it will be very difficult to defeat violent people.

[Reporter] Will the guerrillas not be given a taste of their own medicine for killing members of our military forces?

[Pardo] The state cannot resort to the same means that terrorism employs. The state has the power of authority and justice on its side. We will never employ the means that terrorism uses against us. We will not give up our goals, and we will remain firm.

[Reporter] There is a feeling that tactical intelligence is missing. What will the ministry do about this?

[Pardo] The government, justice, and the public forces are making sacrifices and working with great determination. We cannot stray from our goals because of dramatic and painful incidents such as this one.

Army Blames FARC's 36th Front

PA0309215393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Sep 93

[Report by Sandra Vergara from the "National Newscast"]

[Text] Information available to the Army on the eighth conference of the Revolutionary Armed Forces of Colombia [FARC] suggests there was prior knowledge about this guerrillas attack. A report states that the FARC is planning—with the support of sympathizers and through blackmail, kidnappings, and theft of weapons—to collect 200 billion pesos to finance itself. The task of each front or guerrilla cell is to collect 15 billion pesos.

The Black September guerrilla operation will focus on the kidnapping of businessmen to demand ransom and ambushing of military patrols to seize their weapons. The Army thinks the 36th Front is responsible for the massacre of 14 soldiers in Santa Rosa de Osos, Antioquia Department. This cell, which is headed by Gilberto Guevera Rios, alias Ramirez, operates in southern Antioquia.

Paraguay

Senate Repeals Armed Forces Organizational Law

PY0309184093 Asuncion HOY in Spanish 3 Sep 93 p 2

[Text] The Senate yesterday repealed Law No. 216 on the General Organization of the Armed Forces, which means that Law No. 74/91 is in force. As a result, the post of commander of military forces has been eliminated since the former law does not mention anything about it. In a long debate the legislative committee president, Senator Victor Sanchez Villagra, said Law No. 216 is a "piece of legal trash that has so many defects that there is no other way out than to repeal it."

In turn, Colorado Senators Sebastian Gonzalez Insfran and Julio Rolando Elizeche said that due to party interests, the opposition wants to abolish Law No. 216 shortly after it was promulgated, and that the Colorados are used to these defeats so they will take it with dignity.

They also said that it cannot not be repealed without having an alternative draft bill, and that any new law, no matter how wise and prudent it may be, can have mistakes when creating a new concept.

Finally, and after the debate, 42 senators voted in favor of repealing Law No. 216 while 28 voted against repealling it. This means that the Executive Branch now can either proclaim the repeal law or veto it.

When asked about the repeal of the Armed Forces Organization Law, Defense Minister Hugo Estigarribia said an appeal will be made so that it will remain in force.

According to a rumor circulating among congressmen, the repeal probably will be vetoed by President Juan Carlos Wasmosy but the Senate will ratify its decision to repeal it afterward.

Opposition Leader Domingo Laino Interviewed

PY0409214093 Asuncion ABC COLOR in Spanish 1 Sep 93 p 6

[Interview with Authentic Radical Liberal Party, PLRA, leader Domingo Laino by Hugo Ruiz Olazar—place and date not given]

[Text] [Ruiz] What are the things that worry you?

[Laino] When the social disorder deepens, as a consequence of economic crisis, this jeopardizes the political system, and naturally this may end in collective disaster...

[Ruiz] What is going on?

[Laino] There is uncertainty, there are many dangers, there are no guarantees that the transition and democratization process will take place under normal circumstances.

[Ruiz] But aren't the new rules of the democratic game clear?

[Laino] Laws alone are not appropriate in controlling excesses. We have everything, but sometimes the excesses are so extreme.

[Ruiz] What excesses are you talking about?

[Laino] Social excesses, possible military excesses....

[Ruiz, interrupting] Why could there be an excess in the social field?

[Laino] There is an extreme, critical poverty. There is an unprecedented unemployment rate. Paraguayans are emigrating abroad. If they returned...

[Ruiz] What about the military field?

[Laino] Paraguay is the place, more than any other country, where military excesses can be committed. The military situation here is quite complex here.

[Ruiz] This subject is concentrated in the Armed Forces Organizational Law.

[Laino] Perhaps all the attention is centered on that, but it can also be centered on other fields, like powerful economic circles.

[Ruiz] What is it that you fear most?

[Laino] We have the experience of other Latin American countries, where the transition process was broken. Particular interests may affect our process.

[Ruiz] Have you any information about this?

[Laino] No, I do not. That is simply how I observe reality. I do not think it is imminent, but we are speaking of a five-year period of time.

[Ruiz] Is this proposal of a governability pact yours?

[Laino] I do not think anyone can be the author of an idea at this time in history. This is a situation that has already been tested in other countries, with a lot of success.

[Ruiz] What is it that you want for Paraguay?

[Laino] Paraguay needs the politicians to come closer together to discuss the controversies that could generate into greater conflicts.

[Ruiz] Of what does this consist?

[Laino] The governability pact is possible when the different political forces agree not to break from the political process. We want to end this single-color state, which we have always opposed.

[Ruiz] What else?

[Laino] This wild interparty struggling. We think we should engage in a dialogue to reach a framework of agreement and consensus to the extent that it is possible.

[Ruiz] Is it an agreement or a document that you must sign with President Juan Carlos Wasmosy?

[Laino] We think so. Such a long dictatorship, and the imperfections of the political transition, yield consequences...

[Ruiz] Must you sign something?

[Laino] I think we must sign a pact. One must promise to prioritize patriotic interests, tolerance, mutual respect, and public support.

[Ruiz] Based on which points?

[Laino] First, we should consider the issue of the independent judicial branch. This is the central issue, and it must include the electoral courts, because since 1989 elections have been free, but not clean.

[Ruiz] Aren't you proposing a distribution of judicial branch posts among parties?

[Laino] No, by no means. The Council for Magistrates has been provided for by the Constitution. There are two bills at the Senate, one from the PLRA and one from National Encounter.

[Ruiz] And the electoral courts?

[Laino] Freedom and transparency in the elections should be guaranteed through practical measures. There are organs that do not fall within the jurisdiction of the Electoral Board, but whose activities are very important, like the Identifications Department of the Asuncion Police.

[Ruiz] What else should appear in the pact?

[Laino] The reform of the state, so that it may be an efficient tool for development. Everyone is aware of the pressing need to privatize enterprises that register large deficits.

[Ruiz] How would you address the military issue?

[Laino] This is a matter that cannot be addressed with arrogant, haughty, radical, offensive attitudes. Arrogance causes conflict, which means instability, which makes the country ungovernable.

[Ruiz] Do you agree with tolerating military men who are engaged in politics?

[Laino] I believe I don't. I was the only one who filed charges with the attorney general in connection with the military intervention in political party issues.

[Ruiz] Are you in favor of yielding to military pressure, as in in the case of the commander of military forces?

[Laino] This matter should considered at a table of dialogue. I talked with high-ranking members of the Armed Forces who do not agree with that post.

[Ruiz] By your words, the transition is not yet over.

[Laino] Obviously.

[Ruiz] Hasn't democracy started yet?

[Laino] No, no. The transition will not end before votes are actually free. It is a sovereign people who do the electing.

[Ruiz] Wasn't Wasmosy elected in sovereign voting?

[Laino] We believe there were irregularities, but this is not the time for unveiling the affair of 9 May. If we look at the past we will waste time.

[Ruiz] The issues you are raising are not new. The Judicial Branch, the labor issue.

[Laino] Of course, there is nothing new under the sun, even governability pacts in other countries. If no formula can be found for enforcing it, the Constitution is also nothing but an expression of wishes.

[Ruiz] The opposition has reacted violently against your proposal.

[Laino] I believe there was very little talk about the core of my project. Everyone has considered other arguments, many of them weak.

[Ruiz] They say you want to survive, that you are searching for a post in the Wasmosy government after having been defeated.

[Laino] First, I did not lose. I consider myself a moral winner of 9 May. I believe most of the people within my party think like that...

[Ruiz, interrupting] How?

[Laino] Let's make a comparison. How much did National Encounter spend on its electoral campaign? How much did the Colorado Party spend? How much did the PLRA spend?

[Ruiz] What is your conclusion?

[Laino] I think that the votes I obtained were votes for my person, for my struggle. I think they were thoughtful votes. But the votes for the candidates who resorted to strong marketing campaigns were votes that have cost many millions of dollars. Never before was so much money spent in a presidential campaign in Paraguay. Look at the bills of the television stations. The National Encounter Alliance spent millions of dollars. So did the Colorado Party. Just look at how much the PLRA spent. We are the candidates with the most support in the rest of the country. We do not need a governability pact to survive. Others must resort to acrobatics in order to survive. But this is not my case.

[Ruiz] What is your case?

[Laino] I think my leadership is deep-rooted—I say this without meaning to sound arrogant. I will never organize a governability project only to be in the limelight.

[Ruiz] What would your answer be for current times?

[Laino] I do not think we were wrong when during Stroessner's time we assumed a strong, radical position. We were also not wrong with Rodriguez. And now that there no longer is a general as president, I also do not think we are wrong. We are not wrong in saying that this is the last chapter of the transition.

[Ruiz] Many people said you would remain silent after losing the elections for the second time.

[Laino] I can assure you that I have never lost a clean and transparent election. Look at all the internal PLRA elections. I have won since 1962.

[Ruiz] Will you again be a candidate in 1998?

[Laino] I hope that the 1998 elections will be totally clean, and that I will be the PLRA candidate chosen by the people at the appropriate moment.

[Ruiz] Your opponents attack you harshly.

[Laino] Public men are always the target of criticism.

[Ruiz] This past weekend someone called you that "damned bearded person."

[Laino] (smiles) Well, I think the word "damned" has a theological connotation... But anyway, I think that such criticisms are like the rain that falls on marble. It cleans it. I take it like that...

[Ruiz] Those who have opposed your pact think that it will harm the image of the opposition in Congress.

[Laino] Well, what if the objectives of Congress, of the unity of the opposition, coincide with the governability pact?

[Ruiz] Some people say that your statements, attitudes, and contacts are not very clear. Have you met with [Colorado Deputy Conrado] Pappalardo or with [Colorado Party President] Blas N. Riquelme?

[Laino] All I can tell you is that my work has made me speak with a lot of people. I have even spoken with the president of the Republic.

[Ruiz] Have you spoken with Wasmosy?

[Laino] Yes, I attended the luncheon he offered in his house for the governors. I also spoke with Vice President Angel Roberto Seifart.

[Ruiz] Who are the ones who must sign this pact?

[Laino] Naturally, this must be institutionalized. This is an innovation in national politics, and that is why it is creating some confusion.

[Ruiz] Do you know the risks it entails? [National Encounter leader] Caballero Vargas says that it may break the opposition bloc in Congress.

[Laino] I do not see why. I do not understand this. Why don't they explain it?

[Ruiz] You don't think this could happen?

[Laino] I assure you that the governability pact will strengthen the opposition bloc in Congress.

[Ruiz] You believe that Wasmosy will not conclude his mandate without the pact?

[Laino] That is very difficult to say... [pauses] I am simply a politician. I am no forecaster or fortune teller... But I do believe that if we do not sign a governability pact his mandate may be at risk.

[Ruiz] Some congressmen made a different proposal this week. Instead of a governability pact, they are speaking of signing a "national unity pact."

[Laino] That proposal is strange. Its authors, [Chamber of Deputies President] Pancho de Vargas, Deputy Conrado Pappalardo, and [Febrerista Revolutionary Party Deputy] Euclides Acevedo, do not include any political subjects in their agenda...

[Ruiz] You are more interested in political matters...

[Laino] We will not straighten up the health, education, or poverty problems if we do not first agree on the rules of the game.

[Ruiz] Would you accept a public post if Wasmosy offered it to you now?

[Laino] I cannot accept, because I am the author of this project. One must not only be honest, but one must seem honest.

Peru

President Announces Referendum Scheduled for 31 Oct

PA0609041693 Paris AFP in Spanish 0246 GMT 6 Sep 93

[Text] Lima, Sep 5 (AFP)—On Sunday [5 September] night, President Alberto Fujimori announced the referendum for Peruvians to approve the new constitution will be held on 31 October 1993. According to Fujimori, the new constitution, which was recently approved by the Democratic Constituent Congress after eight months of debate, includes reforms such as the death penalty for terrorists convicted of treason to the fatherland, presidential reelection, a unicameral parliament, and other "fundamental changes" geared to forging a "new democracy" in Peru. The National Election Board had previously reported that approximately 12 million Peruvians are qualified to vote in the so-called people's consultation, which is the first one ever called in the country's history.

CCD Approves Text of New Constitution

PA0509050093 Madrid EFE in Spanish 2348 GMT 4 Sep 93

[Excerpts] Lima, 4 Sep (EFE)—The Democratic Constituent Congress [CCD] today approved the final text of the new constitution, following its revision by a parliamentary commission. The new Peruvian constitution, which will replace the 1979 Constitution, must be approved by the Peruvian people in a referendum expected to be held in a few weeks.

This is the first time that a Peruvian constitution has been presented for popular consultation. The government and the opposition are already immersed in a discussion to promote its approval or rejection.

The opposition thinks the new document is not appropriate because it grants the president too much power in addition to being self-critical and centrist.

President Alberto Fujimori yesterday criticized this view, saying the "traditional politicians" who oppose the new constitution are those of the APRA-communist alliance—alluding to the populist American Revolutionary Popular Alliance and the leftists—claiming that they form the mournful parade of those who say no. [passage omitted]

Meanwhile, the Civic Committee for "No," comprising Roberto Ramirez del Villar of the conservative Popular Christian Party [PPC], Gustavo Mohme of the Democratic Left Movement, and Javier Gonzalez of the Liberty Movement of writer Mario Vargas Llosa have demanded that the OAS supervise the referendum to avoid possible fraud.

President Fujimori stated today that he will ask for the assistance of international observers during the referendum, the date of which has not yet been set. Nevertheless, it must be held between 26 October and 26 November.

For its part, the APRA's National Commission for "No" has 10 objections to the new constitution and, consequently, claims it should be rejected. The APRA, the Liberty Movement, and the extreme leftist parties are not represented in the CCD.

The APRA believes that the new constitution "increases the differences between the rich and poor," restricts unionism, and limits the right to strike, "thereby going against the working class."

It also criticizes the virtual disappearance of free education and, with regard to the economy, it consolidates "a savage capitalism that has led 18 million of 22 million Peruvians into poverty." Among other objections, APRA members noted that the new constitution is authoritarian, imposes an immediate presidential reelection, gathers excessive powers in the hands of the president, and minimizes the powers granted to Congress.

Meanwhile, PPC President Luis Bedoya Reyes expressed support for former UN Secretary General Javier Perez de Cuellar as a possible presidential candidate.

"When facing a man with such political strength as Fujimori, who hopes to be reelected, the sectors that oppose the government must seek a form of understanding," he said.

The commission that drafted the constitution was made up of Congressmen Enrique Chirinos Soto, Enrique Tord, and Carlos Torres y Torres Lara.

Uruguay

Text of Joint Uruguayan-South African Communique

PY0209222293 Montevideo LA MANANA in Spanish 24 Aug 93 p 2

["Text" of the joint communique signed by Uruguayan President Luis Alberto Lacalle and South African President Frederik Willem de Klerk in Montevideo on 23 August]

[Text] Accepting the cordial invitation extended by the president of the Oriental Republic of Uruguay, Luis Alberto Lacalle Herrera, the president of the Republic of South Africa, Frederik de Klerk, visited Uruguay in his official capacity on 22 and 23 August 1993. President de Klerk was accompanied by a retinue which included Mrs. de Klerk, Deputy Foreign Minister Renier Schoeman, and a group of leading South African businessmen, as well as a delegation of South African authorities.

In the course of President de Klerk's state visit to Uruguay, he held a meeting with President Lacalle, at which he had a cordial and friendly talk about both countries's current relations. President de Klerk highlighted the political developments in his country, and his wish that free and fair elections be held on 27 April 1994.

Both heads of state reiterated their wish to further the ties of friendship existing between the two countries and to that effect, they noted their satisfaction with negotiations geared to signing cultural, trade, and investment agreements between both countries.

The necessary steps are being taken to reach agreement on the elimination of visa requirements for tourists and persons on business trips in both countries. Regarding this, the South African Government has already done away with visa requirements for Uruguayan citizens who wish to visit South Africa on business, for tourism purposes, or in transit.

With regard to the sphere of economy and trade, both presidents agreed to promote measures to balance and boost bilateral trade. Concerning this, they were of the same mind about starting a process to identify hurdles. Likewise, they agreed to support actions to promote the development and preservation of marine resources and the environment in the South Atlantic.

They also expressed their willingness to encourage campaigns against drug trafficking and use, as well as to promote scientific research on AIDS. They additionally discussed the approval of an agreement on drugs.

Both heads of state expressed their satisfaction with the agreement currently in force with LATU (Technological Laboratory of Uruguay), and pointed out that technical cooperation between both countries in the domain of agriculture, forestry, and mining is currently under way.

Moreover, they talked about the excellent cooperation between both countries' Armed Forces. President Lacalle expressed his gratitude for the help granted by the South African Armed Forces to the Uruguayan contingent that is part of the UN peacekeeping forces in Mozambique.

Foreign Minister Interviewed on Policies

PY0309030093 Montevideo EL PAIS in Spanish 29 Aug 93 pp 16-17

[Interview with Foreign Minister Sergio Abreu by Carlos Pauletti; place and date not given]

[Excerpts] [Pauletti] What are the main lines guiding Uruguayan foreign policy?

[Abreu] We are working on foreign policies based on the traditional values of our country's foreign policy. A country's credibility is essentially based on professional attitudes and consistent foreign policies.

[Pauletti] And what does this mean?

[Abreu] To be precise, state foreign policy proposals must be executed professionally and must maintain respect for the principles of international law. State foreign policy must be guided by modern organization, with the involvement of the Foreign Ministry, and particularly with the participation of all political factions in the coordination of our policy toward nations abroad.

Uruguay has maintained a line of conduct, beginning with the previous administration, which aims at achieving political consensus while remaining above temporary electoral situations or personal strategies.

This is a very significant achievement for the country. Our foreign policy must have the support of all political forces, a generalized consensus, and above all, professionalism in its proposals and foreign credibility based on consistency.

[Pauletti] But Mr. Minister, your definitions must be implemented. How are they implemented in your department?

[Abreu] Uruguay works based on strict fulfillment of the principles of international law and toward the country's insertion into a world which has become increasingly interdependent and competitive, and with a professional attitude, particularly in commercial aspects.

We think of the Foreign Ministry as a large multinational enterprise, that is, a company with representation in all the financial and political centers where important world decisions are being made.

This multinational enterprise is dedicated, from a legal viewpoint, to the state's essential task of implementing the country's foreign policies, and it is financed by all Uruguayans through their taxes. The importance of our foreign policies, then, depends on the country's role in the international arena, the seriousness of our definitions, our consistency in defending those definitions, and realism. Realism implies allowing an enterprise, with its foot in Uruguay, to participate in the larger decisions of the country in order to project Uruguay abroad.

[Pauletti] How do you implement those policies, starting from the overall definitions you have just made?

[Abreu] Our position has always been, traditionally and particularly in this administration, based on the idea that Uruguay must follow the line of concentric circles: an approach in the subregional area, with our neighbors; a regional approach based on continental policies to project us toward the entire continent and its strategies; and policies for our active participation in the international community.

We could start with subregional relations, neighborly relations, I would say. We seem to have some contradictory results in the development of links with Brazil and Argentina. Sometimes we make progress in sensitive and important issues, and sometimes we are blockaded on border issues.

Uruguay's main defenses, as a small country, are in the law. Our bilateral relations and our commercial and technological proposals, as well as our political and economic issues, are based on respect for the law. Our country bets all its negotiation possibilities on the strict observance of international laws.

In this scheme of things, Uruguay tries to coordinate its historic geopolitical role of being the hinge of the River Plate Basin. A country surrounded by large neighbors, which has traditionally handled its affairs based on pendular policies, today must change its viewpoints on how to take advantage of its location in the River Plate Basin, and include Paraguay, Bolivia, and even Chile in this overall picture. Uruguay must bet all its interests on its geopolitical position.

[Pauletti] How do you break down the kind of relationship you advocate? Because there are many subjects involved...

[Abreu] In that regard, there are two aspects: a political relation, which has to do with the recovery of our identity and sovereignty, and an economic-commercial relation, linked to an integration process in which Uruguay, together with the other three countries, is furthering a bold plan in its relations with other governments, with a view to establishing a possible supranational authority in the future.

This means that we will maintain our identity, so as to defend political considerations while entering into a partnership for achieving common development. For instance, we still have pending issues with Argentina and Brazil, and others, that are in the process of being settled, such as boundary demarcations, the administration of the River Plate, etc., which we claim must be settled strictly pursuant to the law and to respect for existing legal instruments, such as treaties and exchanges of notes. Some historic disputes have already been overcome.

Concerning this, we want both things to go hand in hand, i.e. to make our concept of political identity, of sovereignty, to be understood as an independent state, compatible with the idea of partners within a commercial and economic scheme for shared development.

[Pauletti] Can that be achieved?

[Abreu] Well, it is difficult; it is difficult because one makes decisions and enforces them as one proceeds along one's way. There are three levels one must analyze whenever the state has to make momentous decisions of such a nature.

The first is the political level, political will; the second is national administrations or bureaucracy management and thinking; and the third is private economic agents' reactions to political decisions.

At the political level there is an ongoing dialogue and exchanges among presidents, who meet periodically and are thus able to settle matters much more efficiently. Sometimes it is somewhat difficult to transfer and implement decisions that have been made because of hurdles at the national administration level, whether it is red tape or domestic political problems. Moreover, economic agents also exert pressure on their governments to achieve certain objectives which may be legitimate, but may go against the integration process.

Despite this, political decisions, as well as the will to go ahead with the integration process, are in the process of being consolidated.

[Pauletti] And yet objections and difficulties still persist.

[Abreu] That is true, because in the middle of this process one finds vested interests in some sectors that, concerning the Martin Garcia canal, for example, in our dispute with Argentina, intend to favor the solution propounding a sea outlet for Rosario, at the expense of failing to honor the commitments taken on in either the treaty or in the exchange of notes. And each country has its own domestic struggle.

The same holds good for the trade issue. Trade decisions are made so that the process to achieve integration and liberalization may move ahead. Despite this, there are domestic sectors in each country that see competitiveness as a major threat; hence they bring pressure to bear on their governments, so that these might accept proposals and initiatives, which may reverse the process.

For all this, it is fundamental to hold the rule of law in great esteem, be very clear and open in one's decisions, and above all, our rulers must have the qualities of statesmen so as to be able to resist pressures, or even the temptation to change one's course when making medium-term plans for their countries. [passage omitted]

[Pauletti] Has the change in U.S. administrations affected bilateral relations?

[Abreu] Any government change brings a change of team. There was a change in leadership in the United States after 12 years of Republican governments with Presidents Reagan and Bush. This means, logically, that it takes time to change teams in government.

Furthermore, changes are also taking place in a world that is changing from bipolar to unipolar, based on the new role played by the United Nations in international affairs. Thus, T has been hard for the new U.S. Administration to make the adjustments, as new representatives were being appointed. But mutual relations have not changed substantially. Relations with the United States are at the same traditional level of friendship and mutual respect. This is beyond the disagreements that usually can exist.

In relations with the very powerful, when one is too close it burns, and when one is to far it chills, and for a small country that is respectful of the law as a basic element in any international relations, it is essential not to get either too close or too far.

[Pauletti] Does Uruguay support the enlargement of the Security Council as recently proposed?

[Abreu] We have studied that situation and we believe that the Security Council should reflect the new international picture. Uruguay supports the inclusion of new members and we also advocate a rotation system. In this regard we will hold a seminar next week to study and define any possible variation.

[Pauletti] Does this mean that Uruguay supports the rotation of the positions as permanent members?

[Abreu] We are studying it, not as an official position, but as part of the internal attitudes of the Foreign Ministry, which is only at the stage of technical preparation. We should mention that we have the prestigious opinion of Eduardo Jimenez de Arechaga on this issue.

[Pauletti] There are some contradictions in the relations between Uruguay and the EC. There is an obvious agreement in the institutional and political fields, while noticeable differences exist in the economic and commercial areas. Do the differences have an important effect?

[Abreu] Relations with the EC are very important because this is one of the blocs that emerged from the reorganization of the international order. Uruguay acts at the bilateral and multilateral levels. On one side it deepens its relations with states, such as during the recent visits to Spain and Great Britain, and on the other it strengthens its contacts with the supranational organizations that make up the EC.

In this regard three levels are emphasized: political, commercial, and cooperative. The first involves following up the different political movements, both domestic and foreign. The second level, commercial, refers to the EC, which is one of our main markets, therefore we insist on the need to remove protectionist obstacles to expanding our exports, such as the recent negotiations on the Hilton quota.

Furthermore, the different positions on the Uruguay round of the GATT talks refer, from our point of view, to having the agricultural sector gain better access to the European market, which is a very sensitive issue for the countries of the Cairns Group of which Uruguay is a member. The third level, cooperation, refers to projects for the benefit of Uruguay, such as housing. During the latest presidential visit, funds and technical aid for housing in rural areas and other projects were obtained.

All of this represents an institutional effort that supports the idea of professionalizing the Foreign Ministry cadre, and basically proposing a modern diplomacy with greater ability for proposals than answers. A diplomacy where the techniques for negotiation would not be left to the invention of an individual or to simple improvisation.

[Pauletti] How can you explain that our country maintains diplomatic relations and recognizes the PRC, which lead to a rupture with Taiwan, and now Taiwan opens an office in Montevideo? Are relations with the PRC weakening?

[Abreu] Uruguay has maintained diplomatic relations with the PRC since 1988. Mutual relations have been strengthened through high-level visits during this administration. Visits were made by the previous foreign minister and by the vice president, who was accompanied by myself and the defense minister, and the upcoming visit of President Lacalle has been confirmed for next December. This bilateral relation has been

consolidated in the commercial field. The Chinese market is very important, especially for the wool production sector, after the fall of the Soviet economy and the nonfulfillment of contracts that followed. We also export frozen fish and the market possibilities of 1.3 billion people should be taken into account. For this reason we have decided to strengthen our representation in Beijing.

Regarding Taiwan, this country has opened an office in the country to increase mutual trade. This situation does not change the juridical relations between two states, which are subject to international law such as Uruguay and the PRC. The Uruguayan strategy to maintain and open markets for its exports is one thing; it is quite another to mistake this with decisions of a political and diplomatic nature.

Economy Minister de Posadas Interviewed

PY0309174293 Montevideo BUSQUEDA in Spanish 26 Aug 93 pp 61, 64

["Summary" of interview with Economy Minister Ignacio de Posadas granted to BUSQUEDA in his office in Montevideo "during the week of 21-27 August"]

[Excerpts] [passage omitted] [BUSQUEDA] What are the prospects for our public finances for 1994?

[De Posadas] Our objective is to fulfill the economic program and achieve a zero deficit. This means an uphill task if we are to comply with the budget implementation program.

[BUSQUEDA] Will the salary increase for public employees scheduled for September be announced before time?

[De Posadas] No.

[BUSQUEDA] Will the salary increase be about 7.5 percent as established in the economic program?

[De Posadas] I will not make any announcements yet so as not to spur speculation. I will do so at the proper time.

[BUSQUEDA] In 1992 you told Herreraist [Blanco Party faction] leaders that "economic times" would accompany "political times." Do you still believe this?

[De Posadas] Compared with the situation in April or May, when it seemed that everything was over, that the administration was worn out, and that it would merely coast to the end of its term, it has adopted an aggressive role. We will continue to be aggressive until the very last day. This is what politics is all about. As for the Herreraist thing, there is nothing new in that. There are groups within the Colorado Party that are doing the same. We will continue to make proposals we believe the country needs and we will do so until the very last day.

[BUSQUEDA] In these "political times" what are the main achievements the Herreraist will present to voters during the next election campaign?

[De Posadas] We will show the record of a political sector that had a coherent and serious proposal and that the day it took power it began to implement it point by point. No one can say they were caught unaware. There might be people who are disenchanted, but no one can claim he was taken by surprise. This is an important issue that must be specified. It is not because of sugar-coated proposals that politically mature countries elect their officials.

[BUSQUEDA] Your idea of not merely "coasting," but the decision to get things done leads us to think about specific actions, for example, like insisting on the implementation of structural reforms?

[De Posadas] The next thing on the agenda, after the budget implementation, is the reform of the social security sector. The idea is to summon all political sectors and make a great effort to implement it. If that cannot be done, each one will have to assume his responsibilities and explain the reasons.

[BUSQUEDA] Will you insist on the state reform program?

[De Posadas] We are working on a program that combines retirement initiatives, retraining programs for public employees who voluntarily retire, and retraining programs for workers in the private sector.

[BUSQUEDA] Will there be anything new regarding privatizations?

[De Posadas] We will work in those areas that have a legal status. The Gas Company, PLUNA [Uruguayan National Airlines], the privately-owned banks that have been intervened by government, and meat packing plants of the Corporation [not further identified].

[BUSQUEDA] The government complains that its measures are obstructed. However, there have been instances when, despite being able to, nothing was done. PLUNA scheduled its privatization for November 1992, it was then postponed one month but we are in August 1993 and it is still being postponed.

[De Posadas] Yes, its privatization was delayed but I do not know why.

[BUSQUEDA] What is the situation of privately-owned banks that have been intervened by the government?

[De Posadas] The broker [previous word in English] is working on their restructure and the sales package. A lot of time has been wasted on this. In the case of the Workers Pension Fund, it is because we were awaiting a negotiation process. As for the Sugar Loaf bank, it was delayed because the ACAC [expansion unknown] proposal unfortunately did not prosper. But we are working on it and when the process matures we will sell them.

[BUSQUEDA] Will they be closed if they are not sold?

[De Posadas] We will make an effort to sell them. If we cannot sell them, we will see what can be done. Basically anything can be sold.

[BUSQUEDA] One of the most questioned aspects of the economy is the exchange rate policy. During an interview with BUSQUEDA, President Lacalle did not specify what will happen to the exchange policy. What guarantees can the economy minister give about the exchange policy?

[De Posadas] Guarantees are not given by the people but by the economic reality. When people speak of an exchange lag they say that the government is purposely overvaluing the currency. We all know it is the other way round.

It can be argued whether a 2 percent monthly devaluation is enough or not enough. The truth is that the government does not overvalue the currency; it devaluates it. I do not like to use these words but they are in fashion these days.

We are not using a devaluation scale like in the times of former minister (Valentin) Arismendi [1976]. The situation is totally opposite now because there is a surfeit of dollars.

We have seen it. At a moment when there seemed to be distrust in the market, even though [former Economy Minister] Alejandro Vegh spoke out, the dollar price climbed a point and a half above its floor price and some people said "this is the beginning of the end." But it only lasted a couple of weeks and the dollar price dropped again.

What could the government do when people like, say [Central Bank President] Ramon Diaz, Ignacio de Posadas, or John Doe, make statements? Would the government continue with things as they are, accelerate the devaluation, or implement a large devaluation at once, which is what some sectors of the economy, like farmers, want? If one stops to think about it, if the executive branch said on Monday that it will devaluate the currency by 10, 15, or 20 percent, the following day prices would increase even more. Uruguay has gone through this 100 times already.

[BUSQUEDA] Then must we expect a change to come from the market itself, like for example, through less dollars on the market?

[De Posadas] That is the case, really. More so if the dollar remains stuck at its floor price and if we devaluate the currency tomorrow. The more we raise its floor price, the more stable it will remain. But prices will climb just as fast and the dollar price will be just as high as before.

[BUSQUEDA] Even though there is no devaluation scale, one is aware of the percentage of devaluation between the floor and ceiling prices of the dollar. What if the floor and ceiling prices were eliminated?

[De Posadas] I am not an economist and much less a forecaster, but given that the dollar remains stuck at its floor price, if the floor price were eliminated, it would drop.

[BUSQUEDA] Leaving out a sudden devaluation of the currency, would the government consider measures to avoid a high dollar rate or is the government betting only on reducing inflation?

[De Posadas] Several measures have been adopted within our possibilities. To be honest, the salary measures adopted at the beginning of the year did not fulfill their objectives. Apart from this mistake, the cost of duties and tariffs dropped. The so-called productive sectors costs dropped, except perhaps for salaries.

[BUSQUEDA] The election period is approaching and the economic indicators are beginning to show signs of unrest. What can be expected in the next 18 months?

[De Posadas] The economic indicators will not be manipulated for election purposes. The best policy, from the electoral point of view, is to continue working as we have until the last day.

[BUSQUEDA] Will Ignacio de Posadas be a candidate for the 1994 national elections?

[De Posadas] People say that one should have appeal, an image. I think that the main thing is to be willing to be a candidate.

[BUSQUEDA] Are you willing?

[De Posadas] No.

[BUSQUEDA] If one visits the agricultural fair at Prado, one will hear nonstop remarks about the difficult situation confronting the sector. Does the government believe the sector is enmeshed in a real crisis?

[De Posadas] Some sectors are indeed going through a crisis, like sheep farmers because wool prices have plummeted. The government cannot to be blamed for that.

Agricultural producers and cattlemen the world over are facing problems of dwindling profits. It is unlikely that Uruguay will avoid being hit by this problem; namely what the world is willing to pay for food, compared with other items. Farming and cattle-raising have lost the appeal they had for centuries.

[BUSQUEDA] Besides the tax cuts in the national budget, does the government have any leeway for lowering taxes on agricultural and livestock-related activities?

[De Posadas] No, obviously not. We already have a deficit in the national budget, though it seems difficult to put this idea across. Exchange problems become worse as expenditures increase. The idea is somewhat like "robbing Peter to pay Paul."

[BUSQUEDA] It has been reported that former President Julio Sanguinetti and the Batlleist Forum have confidentially indicated that they want Minister de Posadas to continue in his post until this administration steps down so he can leave "the house in order." Is that true?

[De Posadas] Confidential messages are confidential.

[BUSQUEDA] On several occasions, Central Bank President Ramon Diaz's remarks gave rise to speculations about him being removed from office, which would cause, it was said, the exchange market to become twitchy.

[De Posadas] Let us not fool ourselves about that. The dollar has bottomed out. Stop splitting hairs. It would solve things for the government, as demands would cease, if the dollar reached the middle level of the band. And yet, not even Alejandro (Vegh with his controversial remarks in June) managed to cause an imbalance in the dollar exchange rate for more than a week.

Venezuela

Velasquez Lauds Congressional Decision on Presidency

PA0309190993 Caracas EL NACIONAL in Spanish 2 Sep 93 p D1

[Report by Wilfer Pulgarin]

[Text] In the opinion of President Ramon J. Velasquez, the Congress of the Republic's decision to declare the absolute vacancy of Carlos Andres Perez's presidency proves Venezuela's institutional process is unfolding in an exemplary manner, "with room and respect for all opinions and with congressional decisions that are the result of authentically democratic constitutional practices."

On 1 September Velasquez was informed of the extraordinary session's conclusion by top congressional authorities, to whom he later bid farewell at the doors of Miraflores Palace, where he spoke briefly with reporters.

The president said that despite efforts to characterize the current institutional process as "unbalanced," the country has been developing within a framework of political peace and "with a clear understanding among the sectors involved and the presence of all the groups and partisan organizations that comprise Congress and political life in general."

To this situation is added, Velasquez said, the manner in which the electoral campaign is unfolding, which is "the best answer to those who have doubts regarding the future or fate of Venezuelan democracy."

He pointed out that the goal of his term is to strengthen the path of democracy to enable the winner of the 5 December elections to have sufficient national support to deal with the country's economic problems and social disorders.

Therefore, Velasquez said, we are in need of a great national understanding over and above the differences that may exist within the electoral debate. This is my goal, and this is why in addition to my daily duties, administrative obligations, and government initiatives, I have also attempted—and precisely because this government has no commitment to any candidacy or to any future political undertakings—to draw the various sectors toward an understanding that will support this government and provide a very solid foundation for Venezuelan democracy.

The president was asked, do you feel that you are more of a president today than yesterday?

He responded with obvious satisfaction: I have fulfilled my presidential duties from the outset, from the day I took office.

The commission that informed the president of the culmination of the extraordinary sessions included, among others, Congress President Octavio Lepage and Congress Vice President Luis Enrique Oberto; First and Second Vice Presidents Lillian Arvelo and Ibrahim Sanchez, respectively; and socialist Deputy Orlando Fernandez.

Army Abiding by Decision

PA0309194093 Caracas EL GLOBO in Spanish 2 Sep 93 p 6

[Report by Beglis Alfaro]

[Text] The National Armed Forces [FAN] are abiding by Congress' decision declaring the permanent absence of Carlos Andres Perez, Defense Minister Vice Admiral Radames Munoz Leon stated during a meeting he held in his Tiuna Fort office with the leaders of the Confederation of Venezuelan Workers [CTV], who came to reaffirm their support for democratic institutions.

The FAN's position on the decision by Congress to declare the permanent absence of the ousted president has always been the same, he said—namely, "to respect the law, the Constitution, and the orders from the political powers to reinforce the country's institutions."

In keeping with his policy of not making political statements regarding certain developments, he noted, in view of persistent questions by reporters, it is not up to the FAN to issue any kind of public statement or analysis concerning what happened to Perez. Referring to the historic decision by Congress, he merely indicated that reason and justice must prevail in such cases.

In the vice admiral's opinion, things can go back to normal following the decision. The special security measures

adopted last Tuesday to avoid demonstrations were eliminated, although normal security, intelligence, and preventive measures will be maintained without any need to create an atmosphere of concern among the people. "We can say the country is calm. This is why the rumors of a coup make no sense, considering the people need to be calm," he said.

One reporter asked: "Do you think acts of terrorism will increase in the wake of the congressional decision?"

"I do not think so. The purpose of terrorism is to create panic to stop the elections and spread fear. It makes no sense to link one thing with another, because it would seem this is a plan that seeks to bring about a different outcome," he replied. [sentence as published]

While talking to Munoz, reporters also pointed to the continuous demonstrations of support the FAN has been receiving from many sectors. Munoz said support is good because civilian and political society loses its logic when it attacks an institution that wants to consolidate democracy. "Some want to turn this controversy into a personal matter, but the FAN is above that," he stated.

The ranking officer denied rumors that military personnel have been confined to quarters, and he affirmed democracy in Venezuela will last indefinitely. It caught everyone's attention that at 1400, Radames Munoz went to the National Guard Headquarters, located in El Paraiso, where he met with that force's top command. While there, he stated he had come to discuss the FAN's general situation and "aspects unsettling public opinion," to respond to rumors he would meet with the officers allegedly involved in drug trafficking.

He stated the backing he may give General Ramon Guillen Davila and Orlando Hernandez Villegas, as well as the other four, cannot go beyond that which has been established by the law, although he requested that they be held at the 5th Regional Command.

Someone asked: "Is it that the FAN is granting privileges to those officers, while other servicemen are being held at the Yare Jail in poor conditions?"

"The conditions at the Yare Jail will be improved soon. We are working on the design of modern prisons to hold servicemen, and, therefore, they may be transferred here if they wish. There is no privilege, but it happens that we are protecting the lives of those top officers, because we know that the officials who combat drug trafficking are the targets of reprisals," he replied.

CTV President Gaston Vera, Cesar Gil, and Federico Ramirez Leon expressed their union's backing to the FAN. Vera indicated they are convinced the FAN is a guarantor of democracy. The CTV leader called on President Ramon J. Velasquez to summon to the Miraflores Palace all of the country's involved sectors to sign immediately a national agreement that would give a political foundation and support to this government and the next one to emerge from the elections in December, because professional troublemakers in the extreme right and left would want to harm democracy. To conclude, he explained that despite the differing opinions that may exist on the congressional decision on Perez's permanent absence, the CTV respects it.

Generals Accused of Coupist Activities

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[Text] Caracas, 6 Sep (EFE)—Venezuelan Deputy Pablo Medina today accused "generals linked to former President Carlos Andres Perez" of displaying "behavior that exposed an imminent coup attempt" on 30 August. Medina, secretary general of Radical Cause, a party with labor origins, reaffirmed his charge that certain high-ranking Armed Forces officers are involved in coupist activities.

The parliamentarian pointed out that on 30 August the Armed Forces declared a "red alert"; that there was a military mobilization in Fort Tiuna, headquarters of the Defense Ministry in Caracas; and that military strength was reinforced at a toll booth located at the entrance to the Venezuelan capital.

In this new accusation, however, Medina did not specify the identity of the generals, and he limited himself to pointing out that they are linked to Perez, who was dismissed from the presidency by the Congress on 31 August. Perez is now being tried by the Supreme Court of Justice on corruption charges.

Defense Minister Real Admiral Radames Munoz Leon last week ordered a trial of Medina for contempt [vilipendio] for having said on a radio program that Army Commander General Jorge Tagliaferro de Lima is conspiring against democratic order.

Medina, who argued that his charges are supported by "evidence" and are accurate, said that he is aware of the possible consequences that his charges might produce. Medina said he will not appear before a military tribunal conducting proceedings against him—proceedings ordered by Munoz—because "it is a principle of law that every person is entitled to be tried by judges of his own circle."

Medina added that it worries him that "officers around Perez are occupying key leadership and intelligence positions and are capable of provoking destabilization actions."

The parliamentarian assured these officers are linked to Gen. Herminio Fuenmayor, former chief of the Military Intelligence Directorate (DIM), and a member of Perez's so-called "inner circle."

Medina wondered if Munoz Leon prefers to subordinate the Armed Forces' general interests to those of Former President Perez.

Medina described the alleged hesitation he attributes to Munoz Leon in recognizing Perez's dismissal as "further evidence of the links that exist" between the defense minister and the dismissed president.